

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

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Funding Availability Revitalization of Severely Distressed Public Housing (HOPE VI Revitalization and Demolition) Fiscal Year 2001

PROGRAM OVERVIEW

Purpose of the Program.

HOPE VI Revitalization Grants. In accordance with section 24(a) of the U.S. Housing Act of 1937 (1937 Act), the purpose of HOPE VI Revitalization grants is to assist public housing agencies (PHAs) to:

- (1) Improve the living environment for public housing residents of severely distressed public housing projects through the demolition, rehabilitation, reconfiguration, or replacement of obsolete public housing projects (or portions thereof);
- (2) Revitalize sites (including remaining public housing dwelling units) on which such public housing projects are located and contribute to the improvement of the surrounding neighborhood;
- (3) Provide housing that will avoid or decrease the concentration of very low-income families; and
- (4) Build sustainable communities.

HOPE VI Demolition Grants. Demolition grants enable PHAs to expedite the demolition of severely distressed public housing units. Any subsequent new construction or revitalization of any remaining units must be funded from other resources, which may include a HOPE VI Revitalization Grant.

Available Funds. Approximately \$565 million, as allocated in accordance with Section II of this HOPE VI section of the SuperNOFA, below.

Eligible Applicants. PHAs that meet the requirements at Section III(B) of this HOPE VI section of the SuperNOFA, below.

Application Deadlines. Revitalization grant applications are due on **June 22, 2001**. Demolition grant applications are due on **July 10, 2001**.

ADDITIONAL INFORMATION

If you are interested in applying for a HOPE VI grant, please review the following information, the **General Section** of this SuperNOFA, and the HOPE VI Application Kit.

I. Application Due Date, Application Kits, Further Information, and Technical Assistance.

(A) Application Due Dates.

- (1) Revitalization grant applications are due at HUD Headquarters on or before **12:00 midnight, Eastern time** on June 22, 2001.
- (2) Demolition grant applications are due at HUD Headquarters on or before **12:00 midnight, Eastern time** on July 10, 2001. **See Section VII(B)(3) of this HOPE VI section of the SuperNOFA, below, for important information regarding the application deadline and deficiency cure period for Demolition grant applications.**
- (3) See the **General Section** of this SuperNOFA for specific procedures governing the form of application submission (e.g., mailed applications, express mail, overnight delivery, or hand carried).

(B) Submission of Applications.

(1) **Revitalization Grants.**

- (a) Send an **original and one copy** of your completed application to HUD Headquarters, 451 Seventh Street, SW, Room 4130, Washington, DC 20410, Attention: Mr. Milan Ozdinec, Acting Deputy Assistant Secretary for Public Housing Investments.
- (b) Send **one copy** of your completed application to your local HUD Field Office.

(2) **Demolition Grants.**

- (a) Send **one copy** of your completed application to HUD Headquarters, 451 Seventh Street, SW, Room 4130, Washington, DC 20410, Attention: Mr. Milan Ozdinec, Acting Deputy Assistant Secretary for Public Housing Investments.
- (b) Send **one copy** of your completed application to your local HUD Field Office.

- (3) **Field Offices:** Appendix A-1. A list of HUD Field Offices and their hours of operation is included as Appendix A of the **General Section** of this SuperNOFA. If you wish to hand carry your application(s) to your local HUD Field Office, you may do so during normal business hours before the application deadline dates. On each application deadline date, HUD Field Office business hours will be extended to 6:00 pm. HUD will determine whether your application is timely filed based on the date and time of receipt at HUD Headquarters, not the date and time of receipt at your local Field Office.

- (C) Application Kits. HUD will mail an Application Kit to every eligible PHA. To obtain an Application Kit and any supplemental materials, please call the SuperNOFA Information Center at 1-800-HUD-8929. Persons with hearing or speech impairments may call the Center's TTY number at 1-800-HUD-2209. When requesting an Application Kit, please refer to **HOPE VI** and provide your name, address (including zip code), and telephone number (including area code). The Application Kit also will be available on the HUD Grant Information Website (www.hud.gov/grants) and the HOPE VI Home Page (www.hud.gov/hopevi).
- (D) Further Information and Technical Assistance. You may call, fax, or write Mr. Milan Ozdinec, Acting Deputy Assistant Secretary for Public Housing Investments, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 4130, Washington, DC 20410; telephone (202) 708-0614 x 4166; fax (202) 401-2370 (these are not toll free numbers). Persons with hearing or speech impairments may call via TTY by calling the Federal Information Relay Service at (800) 877-8339.
- (E) Satellite Broadcast. HUD will hold an information broadcast via satellite for potential applicants. HOPE VI staff will review the NOFA and answer questions from members of the audience. For more information about the date and time of the broadcast, consult the HUD Grant Information Website (www.hud.gov/grants).

II. Amount Allocated

Type of Assistance	Allocation of Funds (Approximate)	Funds Available for Award in this HOPE VI Section of the SuperNOFA (Approximate)
A. Revitalization Grants for projects with 300+ units; preference for Section 202 projects scoring 80+ points	\$225,000,000	\$225,000,000
B. Revitalization Grants for all Housing Authorities	265,000,000	265,000,000
Demolition Grants	75,000,000	75,000,000
Technical Assistance	10,000,000	
Total	\$575,000,000	\$565,000,000

(A) Revitalization Grants.(1) Allocation of Funds.

- (a) Total Allocation. Approximately \$490 million of the FY 2001 HOPE VI appropriation has been allocated to fund HOPE VI Revitalization grants and will be awarded in accordance with this HOPE VI section of the SuperNOFA.
- (b) Group A Applications.
 - (i) Section 202 Priority. Approximately \$225 million of the FY 2001 HOPE VI appropriation has been allocated to fund Revitalization applications that propose to revitalize severely distressed public housing projects that:
 - (A) have 300 or more units. If your application proposes to revitalize more than one development or a scattered site development, as described in section II(A)(5)(b) and (c) of this HOPE VI section of the SuperNOFA, all of the units will be counted toward the 300 unit minimum; and
 - (B) receive a score of 80 points or more; and
 - (C) propose to provide replacement housing (including on-site replacement housing) for public housing developments that:

- (i) have been identified by HUD, in HUD's sole determination, to be subject to conversion or assessment under Section 202 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 ("Section 202"); and
 - (ii) as of January 1, 2000, have not subsequently been determined by HUD to have satisfied the requirements of Section 202; and
 - (iii) as of January 1, 2000, have no approved Section 202 Mandatory Conversion plan (i.e., a plan for removal of units from the public housing inventory in accordance with the requirements at 24 CFR 971.7(d)), approved demolition or disposition application under section 18 of the U.S. Housing Act, or approved HOPE VI Revitalization Grant ("Section 202 Developments").
- (ii) Section 202 Priority Guidelines.
 - (A) If you intend to submit an application for a Section 202 Development, discuss your proposal with your Field Office to ensure that it qualifies under the standards set forth above.
 - (B) If more than one development is targeted in your application (in accordance with section II(A)(5)(b) and (c) of this HOPE VI section of the SuperNOFA), and one or more qualify under Section 202, all developments targeted in the application will be considered to qualify under Section 202.
- (iii) Other Priority A Applications.
 - (A) If funds remain of the \$225 million allocated for Group A application after all applications described in (b)(i) above are funded, applications that target developments with 300 or more units will be funded, in score order, to the approximately \$225 million allocation.
 - (B) If funds remain of the \$225 million allocated for all eligible Group A applications described in (b)(i) and (b)(iii) above are funded, those remaining funds will be combined with the \$265 allocation for Group B applications.
- (c) Group B Applications. Approximately \$265 million has been allocated to fund all other Revitalization applications without regard to the size of the project to be revitalized, including any eligible Group A applications that were not funded.

(2) Application Submission.

- (a) If you submit an application that targets a Section 202 Development, you may also submit a second application, regardless of whether it targets a 202 Development or the number of units in the development.
- (b) If you do not submit an application that targets a Section 202 Development, you may submit only **one** application.

(3) Total Grant Amount. The total amount you may request per Revitalization Application is limited to \$35 million or the sum of the amounts in paragraph (4) below, of this Section II(A)(3), whichever is lower.

(4) Revitalization Grant Limitations.

- (a) Total Development Cost (TDC). TDCs are limited by the HUD-published TDC Cost Tables, which are issued for each fiscal year (FY) for the building type and bedroom distribution for the public housing replacement units. Use the TDCs in effect at the time the SuperNOFA is published when making your TDC calculations. The total cost of development, including relocation costs, is limited to the sum of:
 - (i) HUD's TDCs up to 100 percent of HUD's published TDC limits for the costs of demolition and new construction, multiplied by the number of HOPE VI replacement units; and/or
 - (ii) 90 percent of the TDC limits, multiplied by the number of public housing units after substantial rehabilitation and reconfiguration.
- (b) Community and Supportive Services (CSS). You may request an amount up to 15 percent of the total HOPE VI grant to pay the costs of CSS activities, as described in Section IV(C)(3) of this HOPE VI section of the SuperNOFA. These costs are in addition to the TDC calculation in subparagraph (a) above.
- (c) Demolition and Site Remediation Costs of Unreplaced On-site Units. You may request an amount necessary for demolition and site remediation costs of units that will not be replaced on-site. This cost is in addition to the TDC calculation in subparagraph (a) above.

(d) Extraordinary Site Costs.

- (i) You may request a reasonable amount to pay extraordinary site costs necessary to complete the proposed revitalization. These costs are in addition to the TDC calculation in paragraph (a) above. Extraordinary site costs may be incurred in the remediation and demolition of existing property, as well as in the development of new and rehabilitated units. Examples of such costs include, but are not limited to: abatement of extraordinary environmental site hazards; removal or replacement of extensive underground utility systems; extensive rock and/or soil removal and replacement; removal of hazardous underground tanks; work to address unusual site conditions such as slopes, terraces, water catchments, lakes, etc.; and work to address flood plain and other environmental remediation issues. Costs to abate asbestos and lead-based paint should be included in normal demolition costs where such items are found within the structures themselves. An example of extraordinary lead-based paint would be where the lead has leached into the soil and extraordinary measures are needed to remove the lead.
- (ii) Extraordinary site costs must be justified and verified by an engineer or architect licensed by his or her state licensing board who is not an employee of the housing authority or the city. The engineer or architect must provide his or her license number and state of registration. An Extraordinary Site Costs Certification is included in the HOPE VI Application Kit.

(e) You may not use HOPE VI Revitalization Grant funds to pay for any revitalization activities carried out before the date of the letter announcing the award of the HOPE VI Grant.

- (f) You may use any **non-public housing** funds to supplement public housing funds for any project cost.
- (g) Your application must disclose all prior HUD public housing grant assistance received for the project(s) you have targeted for the **physical revitalization** related to the proposed revitalization activities. Do not include Modernization or Capital Funds used for prior rehabilitation activities unrelated to the proposed HOPE VI revitalization activities.

(5) Revitalization Site and Unit Application Guidelines.

- (a) Except as provided in subparagraphs (b) and (c) below, each application must target one severely distressed public housing project (i.e., a project with one development number).
- (b) Each application may request funds for more than one project if those projects are immediately adjacent to one another or within a quarter-mile of each other. If you include more than one project in a single application, you must provide a map that clearly indicates that the projects are within a quarter-mile of each other.

- (c) Your application may request funds to revitalize a scattered site public housing project. The sites targeted in an application proposing to revitalize scattered sites (regardless of whether the scattered sites are under multiple project numbers) must fall within a one square mile area, except that you may identify a larger site if you can show that all of the targeted scattered site units are located within the hard edges (e.g., major highways, railroad tracks, lakeshore, etc.) of a neighborhood.
- (d) You may request funds for as few or as many units as you wish in your application. HUD will review requests for small numbers of units on an equal basis with requests for large numbers of units.
- (e) You may submit a Revitalization application that targets a project that is being revitalized or replaced under a previously-funded HOPE VI Revitalization grant or another source of HUD funds. **However, you may not apply for new HOPE VI Revitalization funds for units in that project that were funded by the previous HOPE VI Revitalization grant or other HUD funds, even if the previously-awarded HUD funds turned out to be inadequate to pay the costs to revitalize or replace all of the targeted units.** For example, if a project has 700 units and you were awarded HOPE VI Revitalization grant funds or other HUD public housing funds to address 300 of those units, you may submit an FY 2001 HOPE VI Revitalization application to revitalize the remaining 400 units. You may not apply for supplemental funds to supplement work on the original 300 units.

(B) Demolition Grants.

- (1) Allocation of Funds. Approximately \$75 million of the FY 2001 HOPE VI appropriation has been allocated to fund HOPE VI Demolition grants and will be awarded in accordance with this HOPE VI section of the SuperNOFA.
- (2) Demolition Grant Limitations.
 - (a) Demolition. You may request up to \$5,000 per unit for demolition and other eligible related costs.
 - (b) Relocation.
 - (i) You may request up to \$3,000 in relocation costs for each unit that is occupied as of the date you submit your HOPE VI Demolition grant application.
 - (ii) At least half of the funds requested for relocation must be used to provide mobility counselling and other services to promote the self-sufficiency of displaced residents, and must be matched by non-HOPE VI funds in accordance with Section IV(E)(2)(d)(ii) of this HOPE VI section of the SuperNOFA, below.

(c) Extraordinary Site Costs.

- (i) You may request a reasonable amount to pay extraordinary site costs necessary to complete the proposed demolition. If requested, extraordinary site costs must be included as part of an application for funding of demolition of public housing units; you may not apply for them by themselves. For Priority Group 4 applications, as described in Section VII(A)(1)(d) below, these costs are in addition to the TDC calculation in Section II(A)(3)(a) of this HOPE VI section of the SuperNOFA, above. Examples of such costs include, but are not limited to: abatement of extraordinary environmental site hazards; removal of extensive underground utility systems; extensive rock and/or soil removal and replacement; removal of hazardous underground tanks; work to address unusual site conditions such as slopes, terraces, water catchments, lakes, etc.; and work to address flood plain and other environmental remediation issues. Costs to abate asbestos and lead-based paint should be included in normal demolition costs where such items are found within the structures themselves. An example of extraordinary lead-based paint would be where the lead has leached into the soil and extraordinary measures are needed to remove the lead.
- (ii) Extraordinary site costs must be justified and verified by an engineer or architect licensed by his or her state licensing board who is not an employee of the housing authority or the city. The engineer or architect must provide his or her license number and state of registration. An Extraordinary Site Costs Certification is included in the HOPE VI Application Kit.

(d) Nondwelling Facilities.

- (i) You may request reasonable amounts to pay for the demolition of significant nondwelling facilities related to the demolition of dwelling units. These costs must be included as part of an application for funding of demolition of public housing units; you may not apply for them by themselves. Examples of such costs include, but are not limited to, the demolition of heating plants, community buildings, or streets.
 - (ii) Such costs must be justified and verified by an engineer or architect, as described in subparagraph (c)(ii) above. A Nondwelling Facilities Cost Certification is included in the Demolition Grant Application section of the HOPE VI Application Kit.
- (e) HUD recognizes that the HOPE VI grant may not cover the total costs of relocation, abatement, and demolition in all cases and that you may have to provide additional funding from other sources.

- (f) You may not use HOPE VI Demolition Grant funds to pay for any demolition or related activities carried out before the date of the letter announcing the award of the HOPE VI Grant.

(3) Demolition Site and Unit Application Guidelines.

- (a) You may submit up to 10 HOPE VI Demolition grant applications that target a total of no more than 4,500 severely distressed public housing units.
- (b) You may target units in only one public housing project per application.
- (c) You may submit more than one application targeting units in a single housing project.
- (d) You may target as many or as few units per application as you wish.

(C) Section 8.

- (1) If you anticipate that you will need Section 8 assistance in order to carry out necessary relocation in conjunction with proposed revitalization or demolition during FY 2002, you must state the number of certificates you will need, both in total and in FY 2002, and include a completed Section 8 Application (HUD-52515) for the units you will need in FY 2002 with your HOPE VI application. The Section 8 Application Form can be found in the HOPE VI Application Kit and from HUDCLIPS (www.hudclips.org). If you are selected for HOPE VI funding, the HUD Field Office will detach the Section 8 application and process it in accordance with Section 8 Guidelines. If you are successful in receiving a HOPE VI Revitalization grant, you should confirm with your Field Office that your Section 8 application is processed.
- (2) If you will need Section 8 assistance in fiscal years beyond FY 2002 for revitalization or demolition that is being carried out in phases, or if you have unused Section 8 vouchers that are available to be used for HOPE VI-related relocation in FY 2002 but will need more for subsequent years, you must request additional vouchers only as needed during the appropriate fiscal years.
- (3) Section 8 assistance cannot be awarded or used to relocate residents from units that are to be demolished until those units have been approved by HUD for demolition.
- (4) If you have already applied for FY 2002 Section 8 assistance for the targeted units, include a copy of your Section 8 application with your HOPE VI application.
- (5) If you have previously received Section 8 assistance to relocate residents from the targeted severely distressed units, you may still apply for a HOPE VI Revitalization Grant to physically replace those same units, or a HOPE VI Demolition Grant to demolish the units without replacement.

- (6) You may request Section 8 assistance to provide temporary relocation to families who intend to move back to the site upon completion of the demolition and revitalization of the severely distressed project.
 - (7) You may request Section 8 assistance for all units covered under a HOPE VI Revitalization or Demolition application to relocate residents from units that will not be replaced with hard units.
 - (8) Under standard HUD policy, Section 8 vouchers are available as replacement units for all units (occupied or vacant) that will be demolished, sold, or otherwise disposed of, minus the number of public housing units replaced with Federal funds. To the extent that the resulting number exceeds the number of units requested for relocation as a result of activities funded by a HOPE VI Revitalization or Demolition grant under this NOFA, you should apply for Section 8 vouchers in accordance with the funding notices issued by HUD. For more information, see Notice PIH 2000-27, which is available through HUDCLIPS (www.hudclips.org).
- (D) Technical Assistance. The FY 2001 appropriation for HOPE VI allocated \$10 million to provide Technical Assistance in the planning, development, and implementation of the HOPE VI Program. Those funds will be administered by the Office of Public Housing Investments.

III. Program Description; Eligible Applicants; Eligible Activities

- (A) Program Description. The HOPE VI Program, through its Revitalization funding component, assists PHAs in improving the living environment for public housing residents of severely distressed public housing projects through the demolition, rehabilitation, reconfiguration, or replacement of obsolete public housing projects (or portions thereof), in revitalizing sites in which public housing sites are located, and providing housing that avoids or decreases the concentration of very low-income families. The demolition funding component of the HOPE VI Program enables PHAs to expedite the demolition of severely distressed public housing units.
- (B) Eligible Applicants.
- (1) Troubled Status. In accordance with section 24(j) of the 1937 Act, the term "applicant" means:
- (a) Any PHA that is not designated as "troubled" pursuant to section 6(j)(2) of the 1937 Act;
 - (b) Any PHA for which a private housing management agent has been selected, or a receiver has been appointed, pursuant to section 6(j)(3) of the 1937 Act; and
 - (c) Any PHA that is designated as "troubled" pursuant to section 6(j)(2) of the 1937 Act and that:
 - (i) Is designated as troubled principally for reasons that will not affect its capacity to carry out a revitalization program;
 - (ii) Is making substantial progress toward eliminating the deficiencies of the agency that resulted in its troubled status; or
 - (iii) Is otherwise determined by HUD to be capable of carrying out a revitalization program.
- (2) MTCS Reporting.
- (a) To be eligible to submit an application under this HOPE VI Section of the SuperNOFA, you must:
 - (i) have a minimum reporting rate of not less than 85 percent for public housing resident records to HUD's MTCS (see 24 CFR part 908 and Notices PIH 98-30, 99-2, and 2000-13) for the period ending December 1999, and
 - (ii) submit a certification with your application certifying that you have met this requirement.

- (b) If you received less than an 85 percent rate of reporting under MTCS for the period ending December 1999, you will still be considered to have passed this threshold requirement if:
 - (i) you subsequently achieved a minimum rate of not less than 85 percent for public housing resident records under the MTCS as of the December 2000 reporting period, or
 - (ii) you were granted forbearance by HUD under the applicable procedures under PIH Notice 2000-13 for the semi-annual assessment period ending December 2000, and
 - (iii) you submit a certification with your application indicating that you have either:
 - (A) achieved the minimum reporting rate as of the December 2000 reporting period, or
 - (B) obtained a forbearance from HUD for the semi-annual assessment period ending December 2000.

- (C) **Eligible Activities.** The following are the activities that are eligible to be carried out using HOPE VI Revitalization and Demolition Grant funds. Other activities may also be eligible at future dates as Congress may authorize. Keep in mind that, until HUD has approved a Request for Release of Funds following a responsible entity's environmental review under 24 CFR part 58, or until HUD has completed an environmental review and given approval for the action under 24 CFR part 50, you may not undertake any actions that are choice-limiting or could have environmentally adverse effects, including demolishing, acquiring, rehabilitating, converting, leasing, repairing, or constructing property, and you may not commit or spend HUD or local funds for these activities.
- (1) **Eligible Revitalization Activities.** HOPE VI Revitalization grants may be used for activities to carry out revitalization programs for severely distressed public housing in accordance with section 24(d) of the 1937 Act. If HOPE VI Revitalization Grant funds are used for any of the following activities, you must conduct them in accordance with the following program requirements.
- (a) **Relocation,** including reasonable moving expenses, for residents displaced as a result of the revitalization of the project.
- (i) **General.** You must provide suitable, decent, safe, and sanitary housing for each family required to relocate as a result of revitalization activities under the Revitalization Plan.
- (ii) **Standard Relocation Requirements.** You must carry out relocation activities in compliance with the following statutory and regulatory requirements, as applicable:
- (A) Relocation or temporary relocation carried out as a result of **rehabilitation** under an approved Revitalization Plan is subject to the Uniform Relocation Assistance and Real Property Policies Act (42 U.S.C. 4601 *et seq*; 49 CFR part 24) (URA) and regulations at 24 CFR 968.108 or successor regulations.
- (B) Relocation carried out as a result of **acquisition** under an approved Revitalization Plan is subject to the URA and regulations at 24 CFR 941.207 or successor regulations.
- (C) Relocation carried out as a result of **disposition** under an approved Revitalization Plan is subject to section 18 of the 1937 Act, as amended.
- (D) Relocation carried out as a result of **demolition** under an approved Revitalization Plan is subject to the URA.

- (iii) Relocation Application Information. In your application, you will provide:
 - (A) information on your plans for relocation in your response to Rating Factor 3(5) (Relocation and Section 8); and
 - (B) a list of the names of current residents to be relocated as of the date the HOPE VI Revitalization application is submitted.
 - (iv) The HOPE VI Revitalization Relocation Plan. If you are selected to receive a HOPE VI Revitalization grant, you will be required to submit to HUD a HOPE VI Revitalization Relocation Plan, including a Reoccupancy Agreement executed with the recognized resident body, as described in Section IV(D)(1)(c) of this HOPE VI Section of the SuperNOFA.
- (b) Demolition of dwelling units and nondwelling facilities, in whole or in part. You may not carry out, nor permit others to carry out the demolition of any units or nondwelling facilities until HUD approves one of the following:
- (i) information in your HOPE VI Revitalization Application, along with any supplemental information requested by HUD after the award of the grant. Section 24(g) of the 1937 Act provides that severely distressed public housing demolished pursuant to a Revitalization Plan is not required to be approved by a demolition application under section 18 of the 1937 Act or regulations at 24 CFR part 970;
 - (A) If you do not receive a HOPE VI Revitalization grant, the information in your application will not be used to process a request for demolition.
 - (B) Please note that demolition is not a required element of a HOPE VI Revitalization application.
 - (ii) a demolition application under Section 18 of the Act. While not required in order to proceed with demolition, you may carry out demolition based on an existing Section 18 demolition approval, or apply for Section 18 approval; or
 - (iii) a Section 202 Mandatory Conversion Plan, if the project is subject to the requirements of Section 202.
- (c) Disposition of a severely distressed public housing site, by sale or lease, in whole or in part, in accordance with section 18 of the 1937 Act and implementing regulations at 24 CFR part 970. A long term lease of one year or more which is not incident to the normal operation of the development is considered a disposition.

- (d) Rehabilitation and physical improvement of public housing and/or community facilities primarily intended to facilitate the delivery of community and supportive services for residents of the project and residents of off-site replacement housing, in accordance with 24 CFR 968.112(b), (d), (e), and (g)-(o) and 24 CFR 968.130 and 968.135(b) and (d) or successor regulations, as applicable.
- (e) Development.
 - (i) For any standard (non-mixed finance) public housing development activity, (whether on-site reconstruction or off-site development), you must obtain HUD approval of a Standard Development Proposal submitted under 24 CFR part 941 (or successor part).
 - (ii) For mixed-finance housing development, you must obtain HUD approval of a Mixed Finance Proposal, submitted under 24 CFR part 941, subpart F (or successor part and subpart).
 - (iii) For new construction of community facilities primarily intended to facilitate the delivery of community and supportive services for residents of the project and residents of off-site replacement housing, you must comply with 24 CFR part 941 (or successor part). Information required for this activity must be included in either a Standard or Mixed Finance Development Proposal.
- (f) Homeownership Activities. For homeownership replacement units developed under a Revitalization Plan, you must obtain HUD approval of a homeownership proposal submitted under section 24(d)(1)(J) or Section 32 of the 1937 Act. The Homeownership Proposal must be consistent with the 80 percent of Area Median Income (AMI) limitations under the 1937 Act. Assistance may include:
 - (i) Downpayment or closing cost assistance;
 - (ii) Provision of second mortgages; and/or
 - (iii) Construction or permanent financing for new construction, acquisition, or rehabilitation costs related to homeownership replacement units.

(g) Acquisition.

- (i) Rental Units. For acquisition of rental units in existing or new apartment buildings, single family subdivisions, etc., with or without rehabilitation, for use as public housing replacement units, you must comply with 24 CFR part 941 or successor part.
- (ii) Land for Housing, Off-Site Units. For acquisition of land for public housing development, you must comply with 24 CFR part 941 or successor part.
- (iii) Land for Economic Development.
 - (A) For acquisition of land for economic development-related activities that promote the economic self-sufficiency of residents, you must comply with 24 CFR part 941, subpart F, or successor part.
 - (B) With HUD approval, you may also use HOPE VI grant funds for limited infrastructure and site improvements associated with developing retail, commercial, or office facilities, such as rough grading and bringing utilities to (but not on) the site.
 - (C) You must enter into a long-term ground lease to govern the development and use of land acquired for economic development purposes.
 - (D) You may **not** use HOPE VI Grant funds to pay hard development costs or to buy equipment for retail, commercial, or office facilities.

(h) Necessary management improvements, including transitional security activities.

- (i) Reasonable costs for administration, planning, technical assistance, and fees and costs, as established by HUD guidance and policies regarding cost controls. These costs are limited to the incremental costs of implementing the Revitalization Plan, as specifically approved by HUD, such as fees for architectural and engineering work, program management (if any), and reasonable legal fees.

- (j) Community and Supportive Services (CSS).
 - (i) The CSS Component of the HOPE VI Program encompasses all activities that are designed to promote upward mobility, self-sufficiency, and improved quality of life for the residents of the public housing project involved, including literacy training, job training, day care, transportation, and economic development activities. The CSS Component is further described in Section IV(C)(3) of this HOPE VI section of the SuperNOFA.
 - (ii) Consistent with section 24(j)(3) of the 1937 Act, you may use an amount up to 15 percent of the total HOPE VI Grant to pay the costs of CSS activities. You may spend additional sums on CSS activities using donations, HUD funds made available for that purpose, or other PHA funds.
 - (iii) Consistent with section 24(d)(2) of the Act, you may deposit up to 15 percent of your HOPE VI grant amount into an endowment trust to provide CSS activities, in accordance with section IV(C)(3)(d) of this HOPE VI section of the SuperNOFA, below.
- (k) Leveraging other resources, including additional housing resources, supportive services, job creation, and other economic development uses on or near the project that will benefit future residents of the site.
- (l) Rental assistance under Section 8.

- (2) Eligible Demolition Activities. The following are the specific activities that are eligible using HOPE VI Demolition grant funds and the corresponding program requirements.
- (a) Relocation, including reasonable moving expenses and self-sufficiency programs related to the permanent relocation of families.
 - (i) General. You must provide suitable, decent, safe, and sanitary housing for each family required to relocate as a result of demolition activities.
 - (ii) Standard Relocation Requirements. You must carry out relocation activities in compliance with the following statutory and regulatory requirements, as applicable:
 - (A) Relocation as a result of demolition approved by a Section 18 demolition application is subject to the URA and Section 18 of the Act.
 - (B) Relocation as a result of demolition approved as part of a Section 202 Mandatory Conversion Plan is subject to the URA.
 - (iii) The HOPE VI Demolition Relocation Plan. You will be required to provide a HOPE VI Demolition Relocation Plan in your application, as described in Section IV(E)(2) of this HOPE VI section of the SuperNOFA.
 - (b) Demolition of dwelling units in buildings, in whole or in part, including the abatement of environmentally hazardous materials such as asbestos, in accordance with section 18 of the 1937 Act as amended.
 - (c) Demolition of nondwelling facilities, if such demolition is directly related to the demolition of severely distressed dwelling units to be demolished with funds from the HOPE VI Demolition Grant.
 - (d) Restoration of the site to a "greenfield," clean state by removing all demolished materials, filling in the site, and establishing a lawn. No additional improvements, such as constructing new curbs and gutters, installing playground equipment, or planting gardens may be paid for with HOPE VI Demolition grant funds.
 - (e) In the case of partial demolition of a site, minimal site restoration after demolition and subsequent site improvements to benefit the remaining portion of the project in order to provide project accessibility or to make the site more marketable.
 - (f) Reasonable costs for administration, planning, technical assistance, and fees and costs which are deemed to be incremental costs of carrying out the demolition as specifically approved by HUD.

IV. Program Requirements

- (A) HOPE VI Application Requirements. In addition to the Fair Housing requirements provided in Section II(B) of the **General Section** of this SuperNOFA, all HOPE VI applications (Revitalization and Demolition) must comply with the following program requirements:
- (1) Severe Distress. The targeted public housing project or building in a project must be severely distressed. In accordance with section 24(j)(2) of the 1937 Act, the term "severely distressed public housing" means a public housing project (or building in a project) that:
- (a) Requires major redesign, reconstruction or redevelopment, or partial or total demolition, to correct serious deficiencies in the original design (including inappropriately high population density), deferred maintenance, physical deterioration or obsolescence of major systems, and other deficiencies in the physical plant of the project;
 - (b) Is a significant contributing factor to the physical decline of and disinvestment by public and private entities in the surrounding neighborhood;
 - (c)
 - (i) Is occupied predominantly by families who are very low-income families with children, are unemployed, and dependent on various forms of public assistance; or
 - (ii) Has high rates of vandalism and criminal activity (including drug-related criminal activity) in comparison to other housing in the area;
 - (d) Cannot be revitalized through assistance under other programs, such as the Capital and Operating Funds Programs for public housing under the Act, or the programs under sections 9 and 14 of the 1937 Act (as in effect before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998 (Pub.L. 105-276, approved October 21, 1998, referred to as the Public Housing Reform Act), because of cost constraints and inadequacy of available amounts; and
 - (e) In the case of individual buildings, is sufficiently separated from the remainder of the project of which the building is part to make use of the building feasible for revitalization; or
 - (f) That was a project described in paragraphs (a) through (e) above that has been legally vacated or demolished, but for which HUD has not yet provided replacement housing assistance (other than tenant-based assistance).
- (2) Appropriateness. In accordance with section 24(e)(1) of the 1937 Act, an application for any HOPE VI grant must demonstrate the appropriateness of the proposal in the context of the local housing market relative to other alternatives.

- (3) Litigation. You may not have any litigation pending which would preclude timely startup of activities.
 - (4) Desegregation Orders. You must be in full compliance with any desegregation or other court order related to Fair Housing (e.g., Title VI of the Civil Rights Act of 1964, the Fair Housing Act, and section 504 of the Rehabilitation Act of 1973) that affects your public housing program and that is in effect on the date of application submission.
 - (5) Flood Insurance. In accordance with the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001-4128), your application may not propose to provide financial assistance for acquisition or construction (including rehabilitation) of properties located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless:
 - (a) The community in which the area is situated is participating in the National Flood Insurance program (see 44 CFR parts 59 through 79), or less than one year has passed since FEMA notification regarding such hazards; and
 - (b) Where the community is participating in the National Flood Insurance Program, flood insurance is obtained as a condition of execution of a Grant Agreement and approval of any subsequent demolition or disposition application.
 - (6) Coastal Barrier Resources Act. In accordance with the Coastal Barrier Resources Act (16 U.S.C. 3501), your application may not target properties in the Coastal Barrier Resources System.
- (B) HOPE VI Post-Award Requirements. If you are selected for funding, in addition to the Fair Housing requirements provided in Sections II(B), (C) and (D) of the **General Section** of this SuperNOFA, all HOPE VI Grantees (Revitalization and Demolition) must comply with the following requirements:
- (1) Internet Access. You must have access to the Internet and provide HUD with email addresses of key staff and contact people.
 - (2) Labor Standards.
 - (a) Revitalization Grant Labor Standards. Davis-Bacon or HUD-determined wage rates apply to development or operation of revitalized housing to the extent required under section 12(a) of the 1937 Act. Davis-Bacon wage rates apply to demolition followed by construction on the site.

- (b) Demolition Grant Labor Standards. HUD-determined wage rates apply to demolition followed only by filling in the site and establishing a lawn.
 - (c) Under section 12(b) of the 1937 Act, wage rate requirements do not apply to individuals who:
 - (i) Perform services for which they volunteered;
 - (ii) Do not receive compensation for those services or are paid expenses, reasonable benefits, or a nominal fee for the services; and
 - (iii) Are not otherwise employed in the work involved (24 CFR part 70).
 - (d) If other Federal programs are used in connection with your HOPE VI activities, labor standards requirements apply to the extent required by the other Federal programs on portions of the project that are not subject to Davis-Bacon rates under the Act.
- (3) Section 3. You must comply with the requirements of section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Employment Opportunities for Lower Income Persons in Connection with Assisted Projects) and its implementing regulation at 24 CFR part 135 ("Section 3"). Section 3 requires that, to the greatest extent feasible, HOPE VI Grantees direct training, employment, and other economic opportunities to low- and very low-income persons - particularly those who are recipients of government assistance for housing - and business concerns which provide economic opportunities to low- and very low-income persons. More information about Section 3 can be found at HUD's Section 3 website (www.hud.gov/fhe/sec3over.html).
- (4) MBE/WBE. You must adopt the goal of awarding a specified percentage of the dollar value of the total of the HOPE VI contracts to be awarded during subsequent fiscal years to minority business enterprises and take appropriate affirmative action to assist resident-controlled and women's business enterprises, in accordance with the requirements of Executive Orders 11246, 11625, 12432, and 12138.

- (5) OMB Circulars and Administrative Requirements. You and your Team, as defined in Rating Factor 1, Capacity, must comply with the following administrative requirements related to the expenditure of Federal funds. OMB Circulars can be found at **www.whitehouse.gov/omb/grants/index.html#circulars**, and the Code of Federal Regulations can be found at **www.access.gpo.gov/nara/cfr/index.html**.
- (a) Administrative requirements applicable to PHAs are:
- (i) 24 CFR part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments), as modified by 24 CFR 941 or successor part, subpart F, relating to the procurement of partners in mixed finance developments, except when inconsistent with the provisions of the FY 2001 HUD Appropriations Act or other applicable Federal statutes. Requests for Proposals (RFPs) and Requests for Qualifications (RFQs) must reflect pertinent language from the HOPE VI section of this SuperNOFA; e.g., seeking diversity, accessibility, fair housing requirements, etc.
 - (ii) OMB Circular A-87 (Cost Principles for State, Local and Indian Tribal Governments);
 - (iii) 24 CFR 85.26 (audit requirements).
- (b) Administrative requirements applicable to non-profit organizations are:
- (i) 24 CFR part 84 (Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations);
 - (ii) OMB Circular A-122 (Cost Principles for Non-Profit Organizations);
 - (iii) 24 CFR 84.26 (audit requirements).
- (c) Administrative requirements applicable to for profit organizations are:
- (i) 24 CFR part 84 (Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations);
 - (ii) 48 CFR part 31 (contract cost principles and procedures);
 - (iii) 24 CFR 84.26 (audit requirements).

(6) Environmental Review.

- (a) If you are selected for funding and an environmental review has not been conducted on the targeted site, the responsible entity, as defined in 24 CFR 58.2(a)(7), must assume the environmental review responsibilities for projects being funded by HOPE VI. If you object to the responsible entity conducting the environmental review, on the basis of performance, timing or compatibility of objectives, HUD will review the facts and determine who will perform the environmental review. At any time, HUD may reject the use of a responsible entity to conduct the environmental review in a particular case on the basis of performance, timing or compatibility of objectives, or in accordance with 24 CFR 58.77(d)(1). If a responsible entity objects to performing an environmental review, or if HUD determines that the responsible entity should not perform the environmental review, HUD may designate another responsible entity to conduct the review or may itself conduct the environmental review in accordance with the provisions of 24 CFR part 50. After selection by HUD for Joint Review, you must provide any documentation to the responsible entity (or HUD, where applicable) that is needed to perform the environmental review.
- (b) If you are selected for funding, you must have a Phase I environmental site assessment completed in accordance with the American Society for Testing and Material (ASTM) Standards E 1527-97, as amended, for each affected site. A Phase I assessment is required whether the environmental review is completed under 24 CFR part 50 or 24 CFR part 58. The results of the Phase I assessment must be included in the documents that must be provided to the responsible entity (or HUD) for the environmental review. If the Phase I assessment recognizes environmental concerns or if the results are inconclusive, a Phase II environmental site assessment will be required.
- (c) You may not undertake any actions with respect to the Development, or with respect to any off-site replacement public housing, that are choice-limiting or could have environmentally adverse effects, including demolishing, acquiring, rehabilitating, converting, leasing, repairing, or constructing property proposed to be assisted under this NOFA, and you may not commit or expend HUD or local funds for these activities, until HUD has approved a Request for Release of Funds following a responsible entity's environmental review under 24 CFR part 58, or until HUD has completed an environmental review and given approval for the action under 24 CFR part 50.
- (d) If the environmental review is completed before HUD approval of the HOPE VI Supplemental Submissions and you have submitted your Request for Release of Funds (RROF), the Supplemental Submissions approval letter shall state any conditions, modifications, prohibitions, etc. as a result of the environmental review, including the need for any further environmental review. You must carry out any mitigating/remedial measures required by HUD, or select an alternate eligible property, if permitted by HUD. If the remediation plan is not approved by HUD and a fully-funded contract with a qualified contractor licensed to perform the required type of remediation is not executed, HUD reserves the right to determine that the grant is in default.
- (e) If the environmental review is not completed and/or you have not submitted the RROF before HUD approval of the Supplemental Submissions, the letter approving the Supplemental Submissions will instruct you to refrain from undertaking, or obligating or expending funds on, physical activities or other choice-limiting actions, until HUD approves your RROF and the related certification of the responsible entity (or HUD has completed the environmental review). The RP approval letter also will advise you that the approved RP may be modified on the basis of the results of the environmental review.
- (f) In accordance with the Grant Agreement, the costs of environmental reviews and hazard

remediation are eligible costs under the HOPE VI Program.

- (7) Environmental Justice. In accordance with Executive Order 12898,
- (a) public housing may be developed only in environmentally sound and desirable locations that will avoid disproportionately high and adverse environmental effects on minority and low-income communities, and
 - (b) proposed activities may not have the effect of excluding or denying persons (including populations) from participation in or benefits from those activities, or subjecting persons (including populations) to discrimination because of their race, color, or national origin.

(C) Revitalization Application Requirements. Your HOPE VI Revitalization application must comply with the following requirements:

(1) Resident Training Session.

- (a) You must conduct at least one Training Session for residents of the severely distressed project(s) on the HOPE VI development process.
- (b) The Resident Training Session must be held after the publication date of the FY 2001 HOPE VI NOFA.
- (c) You must provide a certification in your application that you addressed the following issues during the resident training session:
 - (i) relocation policies, procedures, and options;
 - (ii) reoccupancy criteria;
 - (iii) number of units to be built, on-site and off-site;
 - (iv) partners that will provide community and supportive services;
 - (v) the requirements of section 3 and plans to ensure compliance;
 - (vi) plans for continued resident and community involvement; and
 - (vii) community and supportive service activities to be provided for residents during the course of the grant term.
- (d) Notice of the Resident Training Session must be provided to each affected resident.
- (e) As practical and applicable, the meetings should be conducted in English and the language(s) most appropriate for the community.
- (f) The meeting space must be accessible for persons with disabilities, i.e., the meeting space must be accessible for wheelchairs, signing must be provided for the hearing impaired, if applicable, etc.

(2) Public Meetings.

- (a) You must conduct at least three public meetings with residents and the broader community, including young people between the ages of 16 and 21, to involve them in a meaningful way in the process of planning the revitalization and preparing the application.
- (b) In addition to other means of notification, at least one notice for each meeting must be placed in a commercial newspaper or journal that serves both the public housing project and the broader community.
- (c) At least two of the public meetings must be held after the publication date of this HOPE VI NOFA.

- (d) One of the public meetings may have been held before the publication of this NOFA, but no more than six months before such publication.
- (e) at least one of the public meetings must be held after the plan which will form the basis of the application has been established, so that residents and the community are fully informed about the basics of the proposed Revitalization Plan.
- (f) You must provide a certification in your application that you addressed the following issues during the three public meetings:
 - (i) The HOPE VI planning and implementation process;
 - (ii) The proposed physical plan, including site and unit design;
 - (iii) The extent of proposed demolition;
 - (iv) Planned community and supportive service activities;
 - (v) Other proposed revitalization activities;
 - (vi) Relocation issues, including relocation planning, mobility counseling, and maintaining the HOPE VI community planning process during the demolition and reconstruction phases where temporary relocation is involved;
 - (vii) reoccupancy plans and policies, including site-based waiting lists; and
 - (viii) Section 3 and employment opportunities to be created as a result of redevelopment activities.
- (g) As practical and applicable, the meetings should be conducted in English and the language(s) most appropriate for the community.
- (h) Meeting spaces must be accessible for persons with disabilities, i.e., the meeting space must be accessible for wheelchairs, signing must be provided for the hearing impaired, if applicable, etc.

(3) Community and Supportive Services (CSS).

- (a) General. Each HOPE VI Revitalization application must include a CSS Component that includes activities designed to help residents achieve self-sufficiency, upward mobility, economic independence with sustainable "living wage" jobs, educational achievement, and improved quality of life for the maximum number of public housing residents in the existing project and in the revitalized community. This section lists the requirements for the CSS component, the kinds of activities that should be included in your CSS Workplan, and the types of organizations that you should consider when developing your CSS team, creating partnerships, and developing resources to fund your CSS activities. You will refer to this section of the NOFA when describing your CSS Capacity and Experience (Rating Factor 1(2)), Quality of CSS Plan (Rating Factor 3(6)), and CSS Resources (Rating Factor 4(2)).

(b) Subgrant Agreements.

- (i) If you wish to form a formal partnership with a private nonprofit agency(ies) for the provision of specific CSS activities, you may do so by entering into a subgrant agreement with the selected agency(ies).
- (ii) While you are not required to undertake a competitive procurement under 24 CFR part 85 to select a subgrantee, HUD nevertheless requires your assurance that you have:
- (A) evaluated alternative service providers for the specific activities to be provided,
 - (B) selected the entity that you reasonably believe will most effectively provide such activities, and
 - (C) ensured that the amount to be awarded under the subgrant agreement is consistent with the cost principles of OMB Circular A-87.
- (iii) HUD encourages you to leverage your HOPE VI grant funds by selecting subgrantees that will provide, in addition to the agreed upon fee-for-service amount, in-kind services on a gratis basis (e.g., leased space at no cost, etc.).
- (iv) The selected nonprofit subgrantee must comply with the requirements of 24 CFR part 84.

- (v) You may not enter into a subgrant agreement with a for-profit entity or for a CSS coordinator. Instead, you must conduct a competitive procurement for the services of such entities under 24 CFR part 85. However, if you can demonstrate that the services to be provided by the proposed for-profit entity or by the proposed CSS coordinator can be obtained only from that source, you may request HUD approval to carry out a non-competitive procurement under 24 CFR 85.36(d)(4).
- (c) Requirements of the Community and Supportive Services Workplan.
 - (i) The objectives of your CSS Workplan must be results-oriented, with quantifiable goals and outcomes that can be used to measure progress, make changes in activities as necessary, and demonstrate the success of the CSS component of the HOPE VI Program.
 - (ii) CSS activities must be developed in response to a rigorous resident needs identification process and directly respond to the identified needs.
 - (iii) CSS activities must be of an appropriate scale, type, and variety to meet the needs of **all** residents (including adults, youth ages 16 to 21, and children) of the severely distressed project, including residents remaining on-site, residents who will relocate permanently to other PHA units or Section 8 housing, residents who will relocate temporarily during the construction phase, and new residents of the revitalized units.
 - (iv) Non-public housing residents may also participate in CSS activities, as long as the primary participants in the activities are residents as described in subparagraph (iii) above.
 - (v) Your plan must include procedures to track HOPE VI site residents who relocate to alternative housing to assure that everything possible is done to support them to become self-sufficient and live successfully in the alternative housing of their choice.
 - (vi) CSS activities such as life skills training must be designed to begin promptly after grant award so that residents who will be relocated have time to participate and benefit from such activities before leaving the site.
 - (vii) Resident training activities must begin promptly after grant award and Section 3 firms must be in place quickly so that residents are trained in time to take advantage of employment opportunities such as jobs and other contractual opportunities in the pre-development, demolition, and construction phases of the revitalization.
 - (viii) Modern computer technology must be integrated into the education component of the CSS Workplan.

- (ix) CSS activities must be coordinated with the efforts of other service providers in your locality, including non-profit organizations, educational institutions, and state and local programs.
 - (x) CSS activities must be consistent with state and local welfare reform requirements and goals. The social and learning environment must encourage and enable low-income residents to achieve long-term self-sufficiency, particularly persons enrolled in welfare-to-work programs. To that end, it is crucial that local welfare agencies and workforce development agencies are active members of your HOPE VI partnership. Many HOPE VI residents are directly affected by Temporary Assistance to Needy Families (TANF), making these self-sufficiency efforts critical to their success.
 - (xi) CSS activities must be well integrated with the physical development process, both in terms of timing and the provision of facilities to house on-site service and educational activities.
- (d) CSS Activities may include, but are not limited to:
- (i) Educational activities that promote learning and serve as the foundation for young people from infancy through high school graduation, helping them to succeed in academia and the professional world. Such activities, which include after school programs, mentoring, and tutoring, must be created with strong partnerships with public and private educational institutions.
 - (ii) Adult educational activities, including remedial education, literacy training, tutoring for completion of secondary or post-secondary education, assistance in the attainment of certificates of high school equivalency, and English as a Second Language courses, as needed.
 - (iii) Job readiness and retention activities which frequently are key to securing private sector commitments to the provision of jobs.
 - (iv) Employment training activities that include results-based job training, preparation, counseling, development, placement, and follow-up assistance after job placement.
 - (v) Life skills training on topics such as parenting, consumer education, and family budgeting, aided by the creation and operation of on-site credit unions.
 - (vi) Motivational and self-empowerment training.
 - (vii) Homeownership counseling that is scheduled to begin promptly after grant award so that, to the maximum extent possible, qualified residents will be ready to purchase new homeownership units when they are completed.

- (viii) Coordinating with health care services providers or providing on-site space for a health clinic, doctors, a wellness center, dentists, etc. that will primarily serve the public housing residents. HOPE VI funds may not be used to provide direct medical care to residents.
 - (ix) Substance/alcohol abuse treatment and counseling.
 - (x) Domestic violence prevention.
 - (xi) Child care services which provide sufficient hours of operation for parents to achieve self-sufficiency goals, serve appropriate ages as needed to facilitate parental access to education and job opportunities, and stimulate children to learn.
 - (xii) Transportation, as necessary, to enable all family members to participate in available CSS activities and/or to commute to their places of employment.
 - (xiii) Entrepreneurship training and mentoring, with the goal of establishing resident-owned businesses.
- (e) CSS Partnerships and Resources. The following are the kinds of organizations and agencies that can provide you with in-kind, financial, and other types of resources necessary to carry out and sustain your CSS activities.
- (i) Local Boards of Education, public libraries, local community colleges, institutions of higher learning, non-profit or for-profit educational institutions and public/private mentoring programs that will lead to new or improved educational facilities and improved educational achievement of young people in the revitalized development, from birth through higher education.
 - (ii) National corporations, local businesses, and other large institutions such as hospitals that can commit to provide entry-level jobs. Employers may agree to train residents or commit to hire residents after they complete jobs preparedness or training programs that are provided by you, other partners, or the employer itself. Such private sector and non-profit partners must be given the opportunity to participate in the development of your CSS programs to assure that they will result in adequate training to prospective employees.
 - (iii) Job development organizations which link private sector or non-profit employers with low-income prospective employees.
 - (iv) Workforce Development Agencies.
 - (v) University Schools of Public Health.
 - (vi) Organizations that provide residents with job readiness and retention training and support.

- (vii) Economic development agencies such as the Small Business Administration, which provide entrepreneurial training and small business development centers.
- (viii) Where applicable, Empowerment Zone and Enterprise Community Boards.
- (ix) Programs that integrate employment training, education, and counseling, and where creative partnerships with local boards of education, state charter schools, TANF, foundations, and private funding sources have been or could be established, such as:
 - (A) Youthbuild (www.hud.gov/progdesc/youthb.cfm).
 - (B) Step-Up (www.hud.gov/progdesc/stepup.cfm).
 - (C) AmeriCorps (www.cns.gov/ameriCorps). See Section VI(B) of the **General Section** of this SuperNOFA for more information on AmeriCorps.
- (x) Sources of capital such as foundations, banks, and charitable, fraternal, and business organizations.
- (xi) TANF Agencies/welfare departments.
- (xii) Non-profit organizations such as the Girl Scouts and the Urban League, both of which have Memoranda of Agreement (MOA) with HUD. Copies of these MOAs can be found on the HOPE VI Home Page (www.hud.gov/hopevi).
- (xiii) Civil rights organizations.
- (xiv) Local area agencies on aging, if applicable.
- (xv) Local agencies and organizations serving persons with disabilities.
- (xvi) Faith-based organizations.
- (xvii) Federal, state, and local crime prevention programs and policy efforts, such as:
 - (A) Local law enforcement agencies;
 - (B) Your local United States Attorney;
 - (C) HUD's "One Strike and You're Out" (www.hud.gov:80/progdesc/1strike.cfm);
 - (D) HUD's "Officer Next Door" initiative (www.hud.gov:80/ond/ond.html);

- (E) The local Department of Justice "Weed and Seed" Program task force (if the targeted project is located in a designated Weed and Seed area) (www.ojp.usdoj.gov/eows);
 - (E) HUD's "Operation Safe Home" Program (www.hud.gov:80/progdesc/opsafe.cfm); and
 - (G) HUD's Drug Elimination Programs.
- (f) Endowment Trust for Community and Supportive Services. Consistent with section 24(d)(2) of the Act, you may deposit up to 15 percent of your HOPE VI grant (the maximum amount of the award allowable for CSS activities) into an endowment trust to provide CSS activities. HUD will review the amount of your proposed HOPE VI allocations to an endowment trust as part of its review and approval of your CSS Workplan. In reviewing your proposed allocations to the endowment trust, HUD will take into account your demonstrated ability to pay for current CSS activities with HOPE VI or other funds, and the projected long-term sustainability of the trust to carry out CSS activities. HUD intends to issue separate guidance concerning the establishment, operation and management of HOPE VI-funded endowment trusts. These provisions will be incorporated into the FY 2001 HOPE VI grant agreement that you execute with HUD.

Once HUD approves your CSS Workplan and determines that the endowment trust has been established and will thereafter be operated and maintained, in accordance with the HOPE VI grant agreement, HUD will release HOPE VI funds to you in a lump sum for deposit into the endowment trust. You must invest the endowment funds in a wise and prudent manner. Although HUD considers the deposit of endowment trust funds in certificates of deposit and other types of securities that are insured, guaranteed, or issued by the United States of America to be wise and prudent investments, other investment options also are available. These options will be described in the guidance that HUD will be issuing. Endowment funds (together with any income earned on those funds) may only be used for eligible CSS activities, as provided in section IV(C)(3)(d) of this HOPE VI section of the SuperNOFA, below. You may use amounts in an endowment trust in conjunction with other amounts donated or otherwise made available to the trust for similar purposes.

(D) Revitalization Grant Post-Award Requirements. If you are selected for funding, you must comply with the following requirements:

- (1) Revitalization Plan. After HUD conducts a post-award review of your application and makes a visit to the site, you will be required to submit components of your Revitalization Plan to HUD, as provided in the HOPE VI Revitalization Grant Agreement. These components include, but are not limited to:
 - (a) Supplemental Submissions, that may include revisions and clarifications to your application;
 - (b) a Community and Supportive Services Workplan, in accordance with guidance provided by HUD; and
 - (c) a HOPE VI Revitalization Relocation Plan, in conformance with the requirements of HOPE VI relocation guidance as provided by HUD, that describes the assistance and the services to be provided to affected families.
 - (i) The HOPE VI Revitalization Relocation Plan is intended to ensure that residents who have been temporarily or permanently relocated, as well as any residents yet to be relocated, by activities funded by a HOPE VI Revitalization Grant are provided with CSS activities such as mobility counseling and direct assistance in locating housing.
 - (ii) The HOPE VI Revitalization Relocation Plan must include a Reoccupancy Agreement that establishes the criteria for relocated residents to occupy the revitalized units, executed between the recognized resident body, the PHA, and, if applicable, the entity that will own the public housing units.
 - (iii) You may not begin relocation activities until your HOPE VI Revitalization Relocation Plan has been approved by HUD.
 - (d) a standard or mixed-finance development proposal, as applicable;
 - (e) a disposition application, as applicable; and
 - (f) a homeownership proposal, as applicable.
- (2) Neighborhood Networks. All Revitalization Grantees will be required to be approved as Neighborhood Networks Centers. This Program, which supports HUD's Bridging the Digital Divide policy initiative, as described in Section VI(H) of the **General Section**, provides on-site access to computer and training resources. These Centers, originally designed for HUD-insured and HUD-assisted properties, have helped hundreds of residents improve computer technology skills which in turn has increased job and education opportunities. HUD will make technical assistance available to each PHA where needed. More information on the requirements of the Neighborhood Network Center Program is available on the Neighborhood Networks website (www.hud.gov/nnw/nnwindex.html).

(3) Match.

- (a) Overall Match. In accordance with section 24(c) of the 1937 Act, if you are selected for funding, you must supplement your HOPE VI Revitalization grant with funds from other sources equal to not less than 5 percent of the HOPE VI funds provided. You will make this certification by signing the HOPE VI Revitalization Grant Applicant Certifications. The Certification Form is included in the HOPE VI Application Kit, and the text of the certifications is included as Appendix A to this HOPE VI section of the SuperNOFA, below.
 - (b) Additional Community and Supportive Services Match. In addition to supplemental amounts provided in accordance with subparagraph (a) above, if you are selected for funding and propose to use more than 5 percent of your HOPE VI grant for CSS activities (you may use up to 15 percent of your grant for such activities), you must certify that you will provide supplemental funds from sources other than HOPE VI, dollar for dollar, for the amount over 5 percent of the grant that you will use for CSS activities. You will make this certification by signing the HOPE VI Revitalization Applicant Certifications. The Certification Form is included in the HOPE VI Application Kit, and the text of the certifications is included as Appendix A to this HOPE VI section of the SuperNOFA, below.
 - (c) Matching Funds. In accordance with section 24(c)(2) of the 1937 Act, in calculating the amount of supplemental funds provided by a Grantee for purposes of subparagraphs (a) and (b) above, you may include amounts from other Federal sources, any State or local government sources, any private contributions, the value of any donated material or building, the value of any lease on a building, the value of the time and services contributed by volunteers, and the value of any other in-kind services or administrative costs provided. Other Federal sources may include funds provided by the MROP, Comprehensive Grant, CIAP, or Public Housing Capital Fund Programs or other HUD-provided public housing funds, including funds derived from program income. Matching funds must be directly applicable to the revitalization of the site and the transformation of the lives of residents.
- (4) Program Income. If you receive program income prior to grant closeout (e.g., from sale of homeownership replacement units or the disposition of improved land), the program income:
- (a) must be reflected in the your approved sources and uses statement;
 - (b) must be reinvested in the Development and used for low-income housing purposes, as approved by HUD; and
 - (c) must be used for eligible activities before you may draw down additional cash payments from the HOPE VI Grant.)

(5) Replacement Units.

- (a) Homeownership units will be deemed to be replacement units only if, combined with rental ACC units, they do not exceed the total number of units demolished and/or disposed of at the targeted severely distressed project and otherwise meet the requirements listed in Section III(C)(1)(f), above, of this HOPE VI section of the SuperNOFA.
- (b) Rental units will be deemed to be public housing replacement units and qualify for operating subsidy only if:
 - (i) Combined with public housing homeownership replacement units, the units do not exceed the lesser of:
 - (A) The number of units that you had under ACC on August 21, 1996; or
 - (B) The number of units for which you were receiving operating subsidy on August 21, 1996; and
 - (ii) The units are to be placed under an ACC and operated as public housing units.
- (c) HOPE VI funds **may not** be used to develop market rate units or affordable housing units which do not qualify as public housing or homeownership replacement units, as described in subparagraphs (a) and (b) above.

(6) Timeliness of Construction.

- (a) If you are selected for funding, you must proceed within a reasonable timeframe, as indicated below. In determining reasonableness of such timeframe, HUD will take into consideration those delays caused by factors beyond your control.
- (b) You must start construction within 12 months from the date of HUD's approval of the Supplemental Submissions as requested by HUD after grant award. This time period may not exceed 18 months from the date the Grant Agreement is executed.
- (c) You must complete construction within 48 months from the date of HUD's approval of your Supplemental Submissions. This time period for completion may not exceed 54 months from the date the Grant Agreement is executed.
- (d) In accordance with section 24(i) of the 1937 Act, if you do not proceed within a reasonable timeframe, as described in paragraphs (a) through (c) above, HUD shall withdraw any grant amounts that you have not obligated. HUD shall redistribute any withdrawn amounts to one or more other applicants eligible for HOPE VI assistance or to one or more other entities capable of proceeding expeditiously in the same locality in carrying out the Revitalization Plan of the original Grantee.

(7) Building Standards.

- (a) All activities that include construction, rehabilitation, lead-based paint removal, and related activities must meet or exceed local building codes.
- (b) Your new construction must comply with the accessibility standards of the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, and the Architectural Barriers Act of 1968. You are also encouraged to read the policy statement and Final Report of the HUD Review of Model Building Codes that identifies the variances between the design and construction requirements of the Fair Housing Act and several model building codes. That report can be found on the HUD Home Page (www.hud.gov/fhe/modelcodes).
- (c) New construction must comply with the latest HUD-adopted Model Energy Code issued by the Council of American Building Officials. In addition, HUD encourages you to set higher standards for energy and water efficiency in HOPE VI new construction, which can achieve utility savings of 30 to 50 percent with minimal extra cost. Upon request, HUD will provide technical assistance and training in design and financing to assist your authority, architects, and contractors in improving resource efficiency.
- (d) HUD encourages you to design programs that incorporate sustainable construction and demolition practices, such as the dismantling or "deconstruction" of public housing units, recycling demolition debris, and reusing salvage materials in new construction. "A Guide to Deconstruction" can be found at (www.hud.gov/deconstr.pdf). Articles about specific deconstruction projects can be found on the U.S. Forest Service website (www.fpl.fs.fed.us/query.asp); enter deconstruction as the search term.
- (e) HUD encourages you to use PATH technologies in the construction and delivery of replacement housing. PATH (Partnership for Advancing Technology in Housing) is a voluntary initiative that seeks to accelerate the creation and widespread use of advanced technologies to radically improve the quality, durability, environmental performance, energy efficiency, and affordability of our Nation's housing. Further information about PATH can be found in Section VI(G) of the **General Section** of this SuperNOFA and on the PATH website (www.pathnet.org).
- (f) In accordance with Section VI(E) of the **General Section** of this SuperNOFA, HUD encourages you to incorporate the principles of Universal Design when developing housing and community facilities. The intent of Universal Design is to make housing units and community facilities more usable by as many people as possible, regardless of age and ability, at little or no extra cost. Examples include designing wider doorways, installing levers instead of doorknobs, and putting bathtub/shower grab bars in all units. Computers and telephones can also be set up in ways that enable as many residents as possible to use them.

- (g) There must not be any environmental or public policy factors such as sewer moratoriums that would preclude development in the requested locality.
- (8) Lead-Based Paint. You must comply with lead-based paint testing and abatement requirements for HUD-associated housing, as provided for under the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821, et seq.). You must also comply with regulations at 24 CFR part 35, 24 CFR 965.701, and 24 CFR 968.110(k), as they may be amended or revised from time to time. Unless otherwise provided, you will be responsible for testing and abatement activities.
- (9) Site and Neighborhood Standards for Replacement Housing. You must comply with the Fair Housing Act and Title VI of the Civil Rights Act of 1964, and regulations thereunder. In determining the location of any replacement housing, you must comply with either the site and neighborhood standards regulations at 24 CFR 941.202 (b-d) or with the standards outlined below.
 - (a) Goals of the HOPE VI Program. The HOPE VI Program provides resources to address the needs of severely distressed public housing developments within an administrative framework of less intrusive Federal oversight and increased reliance on informed local decisionmaking. HOPE VI Grants are made so that Grantees can develop and implement comprehensive strategies that address not only the physical and management needs of the developments, but also the social and economic needs of the residents and the surrounding community. You are expected to ensure that your Revitalization Plan will expand assisted housing opportunities in non-poor and non-minority neighborhoods and/or will accomplish substantial revitalization in the Development and its surrounding neighborhood. You are also expected to ensure that eligible households of all races and ethnic groups will have equal and meaningful access to the housing.
 - (b) Objectives in Selecting HUD-Assisted Sites. The fundamental goal of HUD's fair housing policy is to make full and free housing choice a reality. Housing choice requires that households of all races can freely decide the type of neighborhood where they wish to reside, that minority neighborhoods are no longer deprived of essential public and private resources, and that stable, racially-mixed neighborhoods are available as a meaningful choice for all. To make full and free housing choice a reality, sites for HUD-assisted housing investment should be selected so as to advance two complementary goals:
 - (i) expand assisted housing opportunities in non-minority neighborhoods, opening up choices throughout the metropolitan area for all assisted households; and
 - (ii) reinvest in minority neighborhoods, improving the quality and affordability of housing there to represent a real choice for assisted households.

- (c) Compliance with Fair Housing Act and Title VI of the Civil Rights Act of 1964. You must comply with the Fair Housing Act and Title VI of the Civil Rights Act of 1964, and implementing regulations, in determining the location of any replacement housing.
- (d) Grantee's Election of Requirements. You may, at your election, separately with regard to each site you propose, comply with the development regulations regarding Site and Neighborhood Standards (24 CFR 941.202 (b)-(d)), or with the Site and Neighborhood Standards contained in this Section.
- (e) Replacement Housing Located On Site or in the Surrounding Neighborhood. Replacement housing under HOPE VI that is located on the site of the existing project or in its surrounding neighborhood will not require independent approval under Site and Neighborhood Standards, since HUD will consider the scope and impact of the proposed revitalization to alleviate severely distressed conditions at the public housing project and its surrounding neighborhood in assessing the application to be funded under this NOFA. For the purposes of this review, the term "surrounding neighborhood" means the neighborhood within a three mile radius of the site of the existing project.
- (f) Off-Site Replacement Housing Located Outside of the Surrounding Neighborhood. Unless you demonstrate that there are already significant opportunities in the metropolitan area for assisted households to choose non-minority neighborhoods (or these opportunities are under development), HOPE VI replacement housing not covered by (9)(e) of this Section may not be located in an area of minority concentration (as defined in paragraph (g) below) without the prior approval of HUD. Such approval may be granted if you demonstrate to the satisfaction of HUD that:
 - (i) you have made determined and good faith efforts, and found it impossible with the resources available, to acquire an appropriate site(s) in an area not of minority concentration;
 - (ii) the replacement housing, taking into consideration both the CSS activities or other revitalizing activities included in the Revitalization Plan, and any other revitalization activities in operation or firmly planned, will contribute to the stabilization or improvement of the neighborhood in which it is located, by addressing any serious deficits in services, safety, economic opportunity, educational opportunity, and housing stock; or
 - (iii) the replacement housing is located in a neighborhood that is not an area of high poverty rate (30 percent or more).

- (iv) HUD recognizes that in some metropolitan areas, factors including the cost of land, jurisdictional limits, or political opposition may make it extremely difficult for you to acquire and develop non-impacted sites. If you seek approval under the condition stated in subparagraph (9)(f)(i) above, you must detail your efforts with sufficient specificity for HUD to determine whether HUD can contribute other resources, such as legal assistance. If you experience or anticipate that you will experience difficulty acquiring and developing non-impacted sites to implement your Revitalization Plan, you are strongly encouraged to consult with HUD prior to concluding that you have demonstrated impossibility.
- (g) Area of Minority Concentration. The term "area of minority concentration" is any neighborhood in which:
 - (i) the percentage of households in a particular racial or ethnic minority group is at least 20 points higher than the percentage for the housing market area; i.e., the Metropolitan Statistical Area in which the proposed housing is to be located, or
 - (ii) the neighborhood's total percentage minority is at least 20 points higher than the percentage for the housing market area as a whole.

(E) Demolition Grant Application Requirements.

- (1) Eligible Units. Severely distressed public housing units to be demolished with HOPE VI Demolition grant funds must meet one of the criteria in the description of priority groups in Section VII(A)(1) of this HOPE VI Section of the SuperNOFA.
- (2) The HOPE VI Demolition Relocation Plan.
 - (a) General. You will be required to provide a HOPE VI Demolition Relocation Plan in your application. It is as important to provide relocating families in demolition-only situations with supportive services as it is to provide such services in connection with HOPE VI Revitalization grants.
 - (b) HOPE VI Demolition Relocation Plan. Your HOPE VI Demolition Relocation Plan that you include in your application must describe how you will:
 - (i) provide a reasonable time between notification and date to vacate units;
 - (ii) provide one-on-one move counseling to ensure that families fully understand the choices open to them for alternative housing throughout the jurisdiction and secure units in neighborhoods of their choice;
 - (iii) provide self-sufficiency programs that will help residents; acquire the skills to live in the selected community, sustain their new living arrangement for the foreseeable future, and facilitate a smooth transition from public to private rental housing, both for relocatees and for members of their new communities; and
 - (iv) ensure that Section 8 housing complies with the Section 8 requirements regarding lead-based paint and other hazardous materials. If necessary, HOPE VI funds may be used to modify Section 8 relocation units to make them accessible for residents with disabilities.
 - (c) Current Residents. In your application, you must list the names of each resident in occupancy as of the date the application is submitted.

(F) Demolition Post-Award Requirements. If you are selected for funding, your HOPE VI Demolition program must comply with the following requirements:

(1) Timeliness of Demolition.

- (a) you must complete the proposed demolition within a reasonable timeframe, which is two years from the date of Grant Agreement execution. HUD will take into consideration delays caused by factors beyond your control when enforcing this requirement or as otherwise approved by HUD to accommodate reasonable relocation and demolition schedules.
- (b) In accordance with section 24(i) of the 1937 Act, if you do not proceed within a reasonable timeframe, in the determination of HUD, HUD shall withdraw any grant amounts that you have not obligated. HUD shall redistribute any withdrawn amounts to one or more other applicants eligible for HOPE VI assistance or to one or more other entities capable of proceeding expeditiously in the same locality in carrying out the activities of the original Grantee.

(2) Match Requirement. In accordance with section 24(c)(3) of the 1937 Act, if assistance will be used only for demolition of public housing (without replacement), you are exempt from the requirement to match physical demolition activities using non-HOPE VI funds. However, throughout the life of the HOPE VI grant, you must partner with other agencies to obtain goods, services, and additional non-HOPE VI funding to enhance the self-sufficiency activities funded by HOPE VI, in an amount that is at least twice the amount of the HOPE VI grant funds received for relocation.

V. Threshold Criteria

- (A) All HOPE VI Applications. In addition to the Compliance with Fair Housing and Civil Rights Laws threshold requirement listed in Section II(B)(1) of the **General Section** of this SuperNOFA, your HOPE VI application must meet the following HOPE VI Threshold Criteria to be considered for funding.
- (1) Eligible Applicant. You must be an eligible PHA, as defined in Section III(B), above, of this HOPE VI section of the SuperNOFA. If HUD has designated your housing authority as troubled pursuant to section 6(j)(2) of the 1937 Act, HUD's Troubled Agency Recovery Centers will use documents and information available to it to determine whether you qualify as an eligible applicant under Section III(B) of this HOPE VI section of the SuperNOFA.
- (2) Severe Distress.
- (a) The targeted public housing project, or buildings in a project, must be severely distressed.
- (b) To meet the severe distress requirement, you must certify that the public housing project or building in a project targeted in your HOPE VI application meets the definition of severe distress provided in Section IV(A)(1) of this HOPE VI section of the SuperNOFA (in accordance with section 24(j)(2) of the 1937 Act). You will make this certification by signing the HOPE VI Grant Applicant Certifications. The Certifications are included in the HOPE VI Application Kit, and the text of the Certifications is included as Appendix A (Revitalization) and Appendix B (Demolition) to this HOPE VI section of the SuperNOFA.
- (c) For Revitalization applications, a severely distressed project that has been legally vacated or demolished (but for which HUD has not yet provided replacement housing assistance, other than tenant-based assistance) must also satisfy the requirements of paragraph (b) above as to the condition of the site before vacation or demolition.
- (d) For Demolition applications, a severely distressed project that has been legally vacated (but for which HUD has not yet provided replacement housing assistance, other than tenant-based assistance) must also satisfy the requirements of paragraph (b) above as to the condition of the site before vacation.

(3) Appropriateness of Proposal. In accordance with section 24(e)(2) of the 1937 Act, your application must demonstrate the appropriateness of your proposal in the context of the local housing market relative to other alternatives. Examples of inappropriate proposals would be to rebuild on the site and/or build off-site replacement public housing in isolated or non-residential areas, or propose unit types or costs which cannot be supported by a market analysis. Examples of how you can demonstrate appropriateness of your Revitalization proposal follow. However, HUD will carry out the actual determination on a case-by-case basis.

- (a) Your application might demonstrate appropriateness of your proposal in terms of marketability if it proposes the maximum range of incomes and housing types (rental vs. homeownership, market rate vs. public housing, townhouse vs. detached house, etc.) possible given local conditions.
- (b) Your application might demonstrate that the land is being used for the highest and best use, given market conditions and the social goals of your agency.
- (c) Your application might demonstrate that there is a demand for the physical development you propose, including residential public, subsidized and market rate units, community facilities, and economic development and retail structures.

(B) Revitalization Threshold Criteria.

(1) Severe Physical Distress.

- (a) Your application must include the Severe Physical Distress Certification that the project meets the definition of severe **physical** distress in Section IV(A)(1)(a), above, of this HOPE VI section of the SuperNOFA. The Certification must be signed by an engineer or architect licensed by their state licensing board. The engineer or architect must include his or her license number and state of registration on the certification. The engineer or architect may not be an employee of the housing authority or the city. The certification must be signed **on or before the application deadline date**, in order to indicate the condition of the project at the time of application submission. If you neglect to include this certification in your application, you will have an opportunity to submit the certification, but it must still be signed **on or before the application deadline date. You may not submit a certification signed after the deadline date in order to cure this deficiency.**
- (b) A severely distressed project that has been legally demolished (but for which HUD has not yet provided replacement housing assistance, other than tenant-based assistance) must also satisfy the requirements of paragraph (a) above as to the condition of the site before demolition. Your application must include a Severe Physical Distress Certification Form, as provided in the HOPE VI Application Kit, signed by an engineer or architect, that the project met the definition of physical distress as of the day the demolition application approval letter was dated by HUD.

(2) Separability.

- (a) In accordance with section 24(j)(2)(A)(v) of the 1937 Act, if you propose to target only individual buildings of a project for revitalization, you must demonstrate to HUD's satisfaction that the severely distressed public housing is sufficiently separated from the remainder of the project of which the building is part to make use of the building feasible for revitalization.
- (b) You must demonstrate that the site plan and building designs of the revitalized portion will provide defensible space for the occupants of the revitalized building(s) and that the properties which remain will not have a negative influence on the revitalized buildings(s), either physically or socially. Separations may include a road, berm, catch basin, or other recognized neighborhood distinction.

(3) Resident Training Session.

- (a) You must conduct at least one training session in accordance with the requirements of Section IV(C)(1), above, of this HOPE VI section of the SuperNOFA. To demonstrate that you have met each requirement, you must include the following evidence in your application:
 - (i) a copy of the notice of the resident training session and a description of how it was distributed to each affected resident;
 - (ii) the agenda for the resident training session, indicating that the training session was held after the publication of the FY 2001 SuperNOFA;
 - (iii) a copy of the first page of the sign-in sheets, with a certification at the bottom of the page stating the total number of signatures collected at the training session; and
 - (iv) a certification, as provided in the HOPE VI Application Kit, that the issues itemized in Section (IV)(C)(1)(c) of this HOPE VI section of the SuperNOFA were addressed at the resident training session.
- (b) The training session may take place on the same day as one of the public meetings as provided by Section IV(C)(2), but it must be a separate meeting, i.e., one session may not be considered both a training session and a public meeting.

- (4) **Public Meetings.** You must conduct at least three public meetings, in accordance with the requirements of Section IV(C)(2), above. To demonstrate that you have met each requirement, you must include the following evidence for each meeting in your application:
- (a) The notices announcing the meetings:
 - (i) Provide a copy of the notice for each meeting as it appeared in a commercial newspaper or journal that serves both the public housing project and the broader community.
 - (ii) HUD will use the dates of the notices to determine whether the following requirements were met:
 - (A) No more than one public meeting that was held more than six months before the publication of this SuperNOFA may be counted as one of the three required public meetings;
 - (B) at least two of the public meetings must be held after the publication of this SuperNOFA;
 - (C) at least one of the public meetings must be held after the plan which will form the basis of the application was established.
 - (b) Provide a copy of the first page of the meeting sign-in sheets for each meeting, and a certification at the bottom of the page stating the total number of signatures collected.
 - (c) Provide a copy of the minutes of each meeting that constitutes a summary (not a word-for-word transcription) of the discussion. (A one-page summary of each meeting is suggested.) Each set of minutes must include the notarized signature of the person who took the minutes. **Please note that all pages of the minutes will be counted toward your total page limit for attachments, as provided in Section IX(A)(2) of this HOPE VI section of the SuperNOFA.**
 - (d) Provide a certification, as provided in the HOPE VI Application Kit, that, during the course of the three meetings, all of the issues listed in section (IV)(C)(2)(f) of the HOPE VI section of this SuperNOFA were addressed (i.e., all issues need not be addressed at each meeting).
- (5) Submission of the documentation required for the resident training session and the public meetings is a curable item and is not rated. If you fail to submit all of the required documentation that you have conducted the training session and all of the required meetings, after being provided with the opportunity to correct any deficiencies in accordance with Section VI(B) of this HOPE VI section of the SuperNOFA, below, your application will not be eligible for funding. You may not conduct a required training session or public meeting after the application deadline date in order to cure a deficiency identified by HUD.

- (6) Location. In accordance with Section II(A)(5)(b) and (c) of this HOPE VI section of the SuperNOFA, above:
- (a) if your application requests funds for more than one project, those projects must be immediately adjacent to one another or within a quarter-mile of each other. If you include more than one project in a single application, you must provide a map that clearly indicates that the projects are within a quarter-mile of each other.
 - (b) If your application requests funds for a scattered site public housing project, regardless of whether the scattered sites are under multiple project numbers, all of the properties must fall within a one square mile area, except that you may identify a larger site if you can show that all of the targeted scattered site units are located within the hard edges (e.g., major highways, railroad tracks, lakeshore, etc.) of a neighborhood.
- (C) Demolition Grant Threshold Criteria. Each required element of a HOPE VI Demolition grant application is a threshold requirement. Your application will not be eligible for funding unless each requirement listed in Section IX(B) of this HOPE VI section of the SuperNOFA, below, is included in your application. HUD will give you the opportunity to submit any missing information up to the application deadline date, as provided in Section VII(B) of this HOPE VI section of the SuperNOFA, below.

VI. Revitalization Application Selection Process

(A) Revitalization Grant Application Evaluation.

- (1) HUD's selection process is designed to ensure that HOPE VI Revitalization grants are awarded to eligible PHAs with the most meritorious applications and serious need.
- (2) In accordance with Section III(E)(4) of the **General Section** of this SuperNOFA, in the event that HUD commits an error that, when corrected, would result in the selection of an otherwise eligible applicant, HUD may select that application for funding when sufficient funds become available.
- (3) Although Section III(B) of the **General Section** of this SuperNOFA states that only applications that meet all threshold requirements are eligible to be rated, HUD will rate **all** HOPE VI Revitalization applications submitted by Public Housing Authorities, regardless of whether the applicants are eventually deemed to be eligible applicants, in accordance with Section III(B) of this HOPE VI section of the SuperNOFA, or whether the applications meet the threshold requirements of Sections V(A) and (B) of this HOPE VI section of the SuperNOFA. This will be done:
 - (a) To provide applicants with the most complete evaluations of their applications as possible;
 - (b) To provide applicants with technical assistance for any future applications; and
 - (c) Because HUD will conduct eligibility review, threshold review, completeness review, and rating activities concurrently, and determinations of threshold eligibility are often not finalized before rating begins. Regardless of score, however, HUD will not select an application for funding that is submitted by an ineligible applicant or that does not meet all of the threshold requirements of Sections V(A) and (B) above.

- (B) Threshold and Completeness Review. HUD will screen each application to determine if it is complete and meets the threshold criteria in Sections V(A) and (B), above. In accordance with Section V of the **General Section** of this SuperNOFA, after the application deadline HUD may not consider any unsolicited information that you may want to provide. However, after your application has been screened, HUD may contact you to clarify an item in your application or to give you an opportunity to correct a technical deficiency. HUD may not seek clarification of items or responses that improve the substantive quality of your response to any rating factor. Examples of curable technical deficiencies include your failure to include a required certification or a missing signature. If HUD identifies a technical deficiency, it will notify you by fax of the clarification or deficiency. You must submit information to cure the deficiency to HUD within 14 calendar days from the date of HUD notification. If the deficiency is not corrected within this time period, HUD will reject your application as incomplete, and it will not be eligible for funding. Note, however, that in accordance with Section VI(A)(3), above, of this HOPE VI section of the SuperNOFA, HUD has committed to rate each application, regardless of its eligibility.

(C) Preliminary Rating and Ranking.

- (1) Rating. HUD will preliminarily review and rate each eligible application on the basis of the rating factors described in Section VI(G) of this HOPE VI section of the SuperNOFA, below, and assign a score to each application.
- (2) Ranking. After preliminary review, applications will be ranked in score order. Applications will be deemed "competitive" if they have a preliminary score above a base score that encompasses all applications that represent approximately twice the amount of funds available.

(D) Final Panel Review. A Final Review Panel will:

- (1) Assess each competitive application;
- (2) Assign the final scores; and
- (3) Recommend for funding **the most highly-rated eligible applications**, up to the amount of available funding, in accordance with the allocation of funds described in section II(A)(1) of this HOPE VI section of the SuperNOFA.
- (4) HUD reserves the right to make adjustments to funding in accordance with Section III(E) of the **General Section** of this SuperNOFA.
- (5) In accordance with the FY 2001 HOPE VI appropriation (Title II of Pub. Law 106-377), HUD may not use HOPE VI funds to grant competitive advantage in awards to settle litigation or pay judgments.

(E) Tie Scores. If two or more applications within any of the funding categories listed in section II(A)(1) above have the same score and there are insufficient funds to select all of them, HUD will select for funding the application(s) with the highest score for Rating Factor 3, Soundness of Approach. If a tie still remains, HUD will select for funding the application(s) with the highest score for the Rating Factor 2, Need. HUD will select further tied applications on the basis of their scores in Capacity, Leveraging Resources, and Comprehensiveness and Coordination rating factors, in that order.

(F) Transfer to Demolition Grants. If funds remain after all eligible HOPE VI Revitalization grant applications are funded, or if the amount remaining is inadequate to feasibly fund the next eligible Revitalization application, HUD reserves the right to:

- (1) reallocate unused funds to fund or supplement the next eligible HOPE VI Demolition grant application(s), in Priority and Ordinal order, and/or
- (2) carry over unused funds to the next fiscal year.

(G) Revitalization Application Rating Factors. The following are the factors HUD will use to rate and rank your HOPE VI Revitalization application and the maximum points for each factor. The maximum number of points for each Revitalization application is 102, which includes two Empowerment Zone/Enterprise Community (EZ/EC) bonus points, as described in Section III(C)(1) of the **General Section** of this SuperNOFA.

Rating Factor 1: Capacity (20 Points)

This factor measures the capability and record of you and the members of your Team to carry out the revitalization activities proposed in your application. The term "your Team" includes the HOPE VI Coordinator and PHA staff, developers, program managers, property managers, subcontractors, consultants, and any other public and private entities identified and/or proposed to carry out program activities. You and your Team will be rated on your capacity to manage large-scale redevelopment or modernization projects, manage effective community and supportive service programs, and manage private and/or public housing.

For each major aspect of the revitalization effort (physical redevelopment, CSS activities, and property management), HUD will evaluate the extent to which you have (or will have) the capacity to carry out the work yourself and/or select and manage appropriate members of your Team. HUD will award the most points to applications that demonstrate the highest degree of capacity to implement activities in a timely manner upon grant award, whether the capacity is within the PHA or by members of your Team with overall management by the PHA.

HUD **does not require** you to select a developer and/or program manager, if any, prior to submission of your application, although you may choose to do so. Rather, HUD will evaluate your current capacity to implement large scale revitalization; **and/or** your ability to identify needs in your current staffing and fill such gaps internally or externally in a timely manner in order to successfully implement your proposed program; **and/or** your proposed method and criteria for securing a program manager and/or development partner to implement your plan; and your current or planned capacity to manage such entity(ies). If you are selected for funding, HUD may require you to use an outside entity as directed by HUD to carry out the revitalization activities.

(1) Physical Redevelopment Capacity and Experience: 7 Points.

(a) You will receive 5 to 7 points if:

- (i) Your development team, including the developer, program manager (if any), financial consultant (if any) attorneys, etc., is in place and you have identified staff capacity needs which you are prepared to fill promptly upon award. You must demonstrate, using specific data or other documentation, where applicable, that your Team has extensive knowledge and recent, successful experience and capacity in planning, implementing, and managing previous large scale revitalization activities, including physical development, financing, leveraging, and partnership activities. You must document the experience of each relevant member of your Team. If tax credits are proposed, you must document the tax credit experience of each relevant member of your Team.
- (ii) If you have not yet procured member(s) of your Team to plan, implement, and manage the revitalization activities, including physical development, financing, leveraging, and partnership activities, you have a feasible plan for securing such an entity in a timely manner and your description of what you will include in the Request For Proposal (RFP) or Request for Qualifications (RFQ), as appropriate, to secure such team members is well articulated and will result in the selection of a highly capable Team.

- (iii) If you were awarded a HOPE VI grant(s) previously, you have demonstrated that the progress of activities is on schedule and you have the capacity to manage an additional HOPE VI revitalization project. HUD will evaluate the current status of development, and your explanation of any delays in implementation of your HOPE VI grant(s), including planning or construction delays. HUD will use information on file to verify any information you provide regarding current HOPE VI grant status.
 - (iv) You have demonstrated that implementation of your plan can begin immediately after grant award.
 - (v) You do not have any outstanding capital program audit findings.
- (b) You will receive 1 to 4 points if you describe and demonstrate that your Team has some knowledge, experience, and capacity to plan, implement, and manage large scale revitalization, or your method and criteria for selecting members of your team is good. Your current HOPE VI activity is mostly on schedule, and you have the ability to begin implementing your plan with minor adjustments and additional planning after grant award.
- (c) You will receive 0 points if:
 - (i) you cannot describe and demonstrate that you can procure a qualified development team;
 - (ii) your current HOPE VI grant is behind schedule;
 - (iii) you do not demonstrate your ability to implement your plan quickly upon grant award; or
 - (iv) there is not enough information in your application to enable HUD to rate this factor.

(2) Community and Supportive Services (CSS) Capacity and Experience: 5 Points.

- (a) You will receive 4 to 5 points if you demonstrate, using specific data or other documentation, where applicable, that:
 - (i) You have recent, successful experience in planning, implementing, and managing the types of CSS activities proposed in your application;
 - (ii) You have procured a member(s) of your Team who has the qualifications and experience to manage and coordinate the activities in your CSS Workplan, and/or you have a plan for promptly hiring staff or procuring a Team member to do so;
 - (iii) You have strong relationships and commitments from members of your team which will enable you to carry out the activities in your CSS Workplan. Your Team members represent a wide variety of organizations, including TANF and Workforce Development Agencies, that have excellent experience providing the kinds of activities proposed.
- (b) You will receive 2 to 3 points if you have demonstrated and documented limited experience and capacity on the part of your Team in the above elements (paragraphs (a)(i) through (a)(iii) above).
- (c) You will receive 1 point if you have demonstrated minimal experience and capacity on the part of your Team in the above elements (paragraphs (a)(i) through (a)(iii) above).
- (d) You will receive 0 points if:
 - (i) you demonstrate no experience or capacity on the part of your Team in the above elements, or
 - (ii) there is not enough information in your application to enable HUD to rate this factor.

- (3) **Property Management Capacity and Experience:** 4 Points. Property management activities may be the responsibility of the PHA, or a member of the Team. You may also procure a separate entity to carry out property management activities.
- (a) You will receive 3 to 4 points if you demonstrate that you and/or the property management member of your Team currently has excellent knowledge and recent, successful experience in property management of market rate, affordable and/or public housing. If you will procure outside property management expertise, you have demonstrated outstanding capacity to secure a Team member with excellent experience by thoroughly describing the qualifications you will include in the RFP to procure such services. In demonstrating your Team's current property management experience or your capacity to procure a team member with excellent experience, you must address the following elements:
- (i) Property maintenance
 - (ii) Rent collection
 - (iii) MTCS reporting
 - (iv) Site-based management experience
 - (v) Tenant grievances
 - (vi) Evictions
 - (vii) Occupancy rate
 - (viii) Unit turnaround
 - (ix) Preventive maintenance
 - (x) Work order completion
 - (xi) Project-based budgeting
- (b) You will receive 1 to 2 points if you demonstrate that you or the management member of your Team currently have moderate management capacity with respect to the above elements. If you will seek outside property management expertise, the qualifications you describe in the RFP to procure such services are likely to result in the procurement of an entity with moderate management capacity with respect to the above elements.

- (c) You will receive 0 points if:
 - (i) you demonstrate that you or the management member of your Team currently has little management capacity with respect to the above elements, or
 - (ii) the qualifications you describe to procure a management team are unlikely to result in the procurement of an entity with moderate management capacity with respect to the above elements, or
 - (iii) there is not enough information in your application to enable HUD to rate this factor.
- (4) **Diversity of Team: 1 Point.** You will receive 1 point if you clearly articulate an achievable plan for including minority(ies), women, and/or individuals with disabilities on your Team who will be involved in planning, development, and management of the HOPE VI revitalization effort. HUD encourages cost-effective joint ventures to provide opportunities for such diverse firms, individuals, and/or employees. HUD has entered into a Cooperative Agreement with the National Organization of African-Americans in Housing to reach out and identify minority professionals (developers, program managers, lenders, accountants, attorneys, etc.) who are interested in participating in the HOPE VI Program. More information about NOAAH can be found on their website (www.noaah.org).
- (5) **Obligation of Capital Funds: 3 Points.** HUD will evaluate the extent to which you have obligated Capital Fund amounts (including the Comprehensive Improvement Assistance Program (CIAP) or Comprehensive Grant Program (CGP) in a timely manner.
 - (a) You will receive 3 points if you have obligated at least 90 percent of your FY 1997-1999 Capital Fund amounts by the quarter ending before the Revitalization grant application deadline date. HUD will use the LOCCS disbursement system as of the quarter ending before the grant application deadline date to verify your obligation rate.
 - (b) You will receive 2 points if you have obligated between 70 and 89 percent of your 1997-1999 Capital Fund amounts.
 - (c) You will receive 1 point if you have obligated between 50 and 69 percent of your 1997-1999 Capital Grant amounts.
 - (d) You will receive 0 points if:
 - (i) you have obligated less than 50 percent of your 1997-1999 Capital Grant amounts, or
 - (ii) there is not enough information in your application to enable HUD to rate this factor.

Rating Factor 2: Need (20 Points)

This factor addresses the extent of the need for the revitalization program; the potential impact of the proposed revitalization on the surrounding neighborhood, the need for funding under the HOPE VI program, the identification of need in the community, and the need for affordable housing in the community.

- (1) Need for Revitalization: 7 Points. **All applicants must certify that the public housing targeted for revitalization is severely distressed, in accordance with Section V(A)(2) of this HOPE VI section of the SuperNOFA, above.** For this rating factor, HUD will evaluate the **extent of the severe distress** of the targeted units and the urgency of addressing the severe distress. HUD will evaluate your description and documentation of the severity of the physical distress in terms of the deficiencies listed below. If the targeted units have already been demolished, HUD will evaluate your description of the condition of the site before demolition.
- (a) You will receive 6 or 7 points if you demonstrate the need for revitalization due to conditions which present an immediate threat to the health or safety of the residents, as indicated by the following criteria:
 - (i) There are major structural and system deficiencies in its infrastructure, roofs, electrical, plumbing, and mechanical systems, lead based paint, settlement, and other deficiencies in Housing Quality Standards;
 - (ii) There are major site deficiencies, including poor soil conditions, inadequate drainage, deteriorated laterals and sewers, and inappropriate topography;
 - (iii) There are major design deficiencies, including inappropriately high population density, room, and/or unit size and configurations; isolation; indefensible space; inaccessibility for persons with disabilities with regard to individual units, entrance ways, and/or common areas; and
 - (iv) There are major building and/or site conditions, such as extreme levels of lead-based paint and/or asbestos, that make the site or a portion of the site and its housing structures unsuitable for residential use.
 - (b) You will receive 3 to 5 points if you demonstrate the need for revitalization with regard to criteria listed above in paragraph (a), but conditions do not present an immediate threat to the health or safety of the residents.
 - (c) You will receive 0 points if there is not enough information in your application to enable HUD to rate this factor.

- (2) **Impact on Neighborhood:** 7 Points. HUD will evaluate the extent to which the severely distressed public housing is a significant contributing factor to the physical decline of, and disinvestment by public and private entities in the surrounding neighborhood. HUD will also evaluate the extent to which the proposed revitalization through HOPE VI, including retail, office, and other economic development, as appropriate, will enhance the neighborhood in which the project is located and enhance economic opportunities for residents. In making this determination, HUD will evaluate your narrative, crime statistics, photographs or renderings, socio-economic data, trends in property values, evidence of property deterioration and abandonment, evidence of underutilization of surrounding properties, and other indications of neighborhood distress and/or disinvestment that you provide in your application to demonstrate your case.
- (a) You will receive 4 to 6 points if you demonstrate that revitalization of the severely distressed project with HOPE VI funds will significantly improve the overall health of the neighborhood and spur outside investment into the surrounding community.
 - (b) You will receive 1 to 3 points if you demonstrate that revitalization of the severely distressed project with HOPE VI funds will improve the overall health of the neighborhood and community immediately surrounding the revitalized site, but will have only limited likelihood of spurring significant neighborhood revitalization activities or slowing the rate of decline in the greater neighborhood and community.
 - (c) You will receive 0 points if you:
 - (i) demonstrate that revitalization of the severely distressed project will have only a minor impact on the surrounding neighborhood and community; or,
 - (ii) based on the data submitted, HUD determines that the proposed project and/or the surrounding neighborhood is so severely deteriorated that even if the public housing site is revitalized, it will neither stop the decline nor have any impact on the surrounding neighborhood and community; or
 - (iii) there is not enough information in your application to enable HUD to rate this factor.

- (3) Need for Funding: 3 Points. HUD will evaluate the extent to which you could undertake the proposed revitalization activities without a HOPE VI grant. HUD will use data from the latest quarterly obligation report available at the time of the grant application deadline date to confirm the amount of unobligated FY 1998-2000 Capital Grant (including CIAP and CGP) funds currently available that could be used to carry out the proposed revitalization activities.
- (a) You will receive 3 points if your unobligated Capital Funds balance is up to 25 percent of the amount of HOPE VI funds requested.
 - (b) You will receive 2 points if your unobligated balance is 26 - 50 percent of the amount of HOPE VI funds requested.
 - (c) You will receive 1 point if your unobligated balance is 51 - 75 percent of the amount of HOPE VI funds requested.
 - (d) You will receive 0 points if:
 - (i) your unobligated balance is 76 to 100 percent or greater than the amount of HOPE VI funds requested, or
 - (ii) there is not enough information in your application to enable HUD to rate this factor.

- (4) Need for Affordable Housing in the Community: 3 Points. HUD will evaluate the extent to which you have demonstrated that there is a need for affordable housing in the community, **and** there is an inadequate supply of other affordable housing available to accommodate families receiving tenant-based assistance under Section 8.
- (a) You will receive 2 to 3 points if you have:
- (i) Documented the need for affordable housing in the community with statistics and analyses contained in a data source(s) that is sound and reliable, including information on market rental costs as compared to Section 8 fair market rents (FMRs); **and**
 - (ii) Provided a thorough analysis that demonstrates that the supply of other affordable housing is inadequate to accommodate families that would be displaced if the targeted severely distressed project was demolished and not replaced. Your analysis must be documented by a comparison of the number of Section 8-eligible rental apartment listings in a newspaper of general circulation in the community over the most recent complete month prior to the Revitalization grant application deadline date compared to the number of units needed if the site were to be demolished and residents relocated within the community.
- (b) You will receive 1 point if your analysis is less than thorough but nevertheless demonstrates a general need for affordable housing in the community.
- (c) You will receive 0 points if:
- (i) your analysis fails to show a need for affordable housing in the community, or
 - (ii) there is not enough information in your application to enable HUD to rate this factor.

Rating Factor 3: Soundness of Approach (40 Points)

HUD is seeking Revitalization Plans that are innovative, locally appropriate, and address the unique needs of residents, the community, and the city as a whole. This rating factor evaluates the quality of the main components of your Revitalization Plan, including the proposed design, feasibility of activities, efforts to lessen concentration, relocation plan, CSS Workplan, efforts to reach out to residents and members of the community, proposed management principles and policies, plans to evaluate your HOPE VI activities, and your efforts to affirmatively further fair housing.

(1) Overall Quality of Plan: 5 Points. HUD will evaluate your entire application to rate this factor.

- (a) You will receive up to 5 points if you demonstrate that all aspects of your plan, including your physical, social, and economic approach, are the most appropriate possible given your local conditions, constraints, and opportunities, i.e. your application demonstrates excellence in **each** of the following elements:
 - (i) Design and planning;
 - (ii) Cost effectiveness of proposed revitalization activities;
 - (iii) Appropriateness in the context of the immediate neighborhood and the broader community;
 - (iv) Integration of physical and social aspects of your strategy;
 - (v) Appropriateness in the context of local housing markets. You must demonstrate that the income mix is as great as possible given local conditions. Typically, HUD has found that a mix of one-third public housing, one-third tax credit or other subsidized housing, and one-third market rate rental or homeownership housing is a good balance. However, each situation is unique and should be treated as such. For example, in a situation where the surrounding community is middle or high income, it might be appropriate to have a greater number of units of public and/or subsidized housing to assure housing opportunities for low-income people. If so, indicate that the on-site income mix is more heavily weighted to low-income residents, and that, combined with the higher incomes of off-site residents, the income mix is appropriate. If you cannot achieve development of housing that is one-third public housing, one-third tax credit or other subsidized housing, and one-third market rate or homeownership housing, explain why the alternate mix of units you propose is appropriate in the context of your local housing market.
 - (vi) The likelihood that a HOPE VI grant will result in a revitalized site that will enhance the neighborhood in which the project is located and enhance economic opportunities for residents.
- (b) You will receive up to 3 points if your plan has serious flaws in one of the above elements.

- (c) You will receive 0 points if:
- (i) your plan has flaws in more than one of the above elements, or
 - (ii) there is not enough information in your application to enable HUD to rate this factor.
- (2) **Design:** 3 Points. HUD is seeking excellence in design. We urge you to carefully select your architects and/or planners, and to enlist local affiliates of national architectural and planning organizations such as the American Institute of Architects, the American Society of Landscape Architects, the American Planning Association, the Congress for the New Urbanism, and/or the departments of architecture at a local college or university to assist you in assessing qualifications of design professionals and/or participating on a selection panel that results in the procurement of excellent design services. HUD encourages you to select a design team(s) that is committed to a participatory design process through charrettes, whereby residents, including young people and seniors, the broader community, and other stakeholders such as disability advocates, are actively involved in designing the new community.

Your proposed site plan, new units, and other buildings must be designed to be compatible with and enrich the surrounding neighborhood and promote mixed-income, mixed-use communities. Local architecture and design elements and amenities should be incorporated into the new or rehabilitated homes so that the revitalized sites and structures will blend into the broader community and appeal to the market segments for which they are intended. Housing, community facilities, and economic development space must be well integrated. You must select members of your Team who have the ability to meet these requirements, and/or demonstrate that you have the capacity to secure such Team members.

HUD encourages you to propose enhancements to the natural environment such as tree and shrub planting to address natural resource issues such as erosion, stormwater management, and water quality that will result in physical improvements to the site; convert public open space now devoid of green vegetation to a natural, inviting, and more livable environment; encourage bike paths and other environmental and recreational enhancements; and plan for the sustainability of such resources after the revitalization activities are completed. Through an MOU between the Department of Agriculture and HUD, technical assistance to develop a natural resource stewardship program is available to public housing authorities. See Section VI(C) of the **General Section** of the SuperNOFA for more information on Urban Forestry. Further information can be found on the Forest Service website (www.fs.fed/us/research/rvur/urban/urbanforestry/urbanforest.htm).

- (a) You will receive 3 points if your proposed site plan, new units, and buildings demonstrate that:
 - (i) Your proposed plan incorporates design elements and amenities into the revitalized homes that will enable them to blend into and enrich the neighborhood and appeal to intended market segments;
 - (ii) Your proposed housing, community facilities, and economic development space are thoroughly integrated into the community; and
 - (iii) Your plan proposes extensive and appropriate enhancements of the natural environment.
- (b) You will receive 2 points if your proposed site plan, new units, and buildings demonstrate design that adequately addresses the elements above.
- (c) You will receive 1 point if your proposed design addresses the above elements in only a perfunctory manner.
- (d) You will receive 0 points if:
 - (i) your proposed design does not address the above elements, or
 - (ii) there is not enough information in your application to enable HUD to rate this factor.

- (3) Feasibility of Plan: 4 Points. In awarding points under this rating factor, HUD will consider the following:
- (a) Income and Unit Mix. You will receive 1 point if you demonstrate that the range of incomes to be served in the revitalized community and the mix of unit types is as great as possible given the location and other local market and community factors.
 - (b) Market. You will receive 1 point if you demonstrate that there is a market for the revitalized and/or replacement units of the type, number, and size proposed in the location you have chosen.
 - (i) Your demonstration of the market for non-public housing units must be based on a preliminary market assessment letter prepared by an independent, third party, credentialed market resource firm or professional.
 - (ii) Your demonstration of the need for public housing units will be based on the number and percentage of existing families on site that are projected to return and the number of families on your public housing and Section 8 waiting list(s).
 - (c) Hard and Soft Development Costs. You will receive 1 point if:
 - (i) Your projected hard development costs are realistic, developed through the use of technically competent methodologies, including cost estimating services, and are comparable to industry standards for the kind of construction to be performed in the proposed geographic area;
 - (ii) Your cost estimates represent an economically viable preliminary plan for designing, planning and carrying out your proposed activities in accordance with local costs of labor, materials, and services; and
 - (iii) Your projected soft costs (developer's fees, PHA administration costs, legal fees, program manager's fees, consultants' fees, etc.) are justified, comparable to industry standards, and you have demonstrated how you will control such costs. HUD is particularly concerned that soft costs be minimized and will review carefully the proposed soft cost structure.
 - (d) Coherence and Consistency. You will receive 1 point if the information and strategies described in your application are coherent and internally consistent, particularly the data provided for types and numbers of units, budgets and other financial estimates, and other numerical information. It is critical that you carefully review all numbers for unit mix, costs, etc. to make sure that all numbers are consistent throughout the application. HUD will make this determination based on your **entire** application.

- (4) Lessen Concentration: 3 Points. This factor addresses how the activities you propose are designed to lessen concentration of low-income households, create opportunities for desegregation and accessibility, and offer viable housing choices to displaced residents. In awarding points under this rating factor, HUD will consider the following:
- (a) On-site housing. You will receive 1 point if your proposed unit mix (i.e., rental vs. homeownership, public housing, market, and subsidized units) will significantly reduce the isolation and/or concentration of low-income residents and/or significantly achieve a mixed-income, well functioning community on the revitalized site.
 - (b) Off-site housing. Although not required, the development of off-site housing is desirable to lessen the concentration of low-income residents on site, while maximizing the overall number of replacement units. You will receive 1 point if you intend to develop off-site housing that will lessen the concentration of low-income residents on-site and create opportunities for desegregated, mixed-income communities by locating such off-site housing in neighborhoods with low levels of poverty and/or low concentrations of minorities. You are encouraged to maximize off-site hard units as replacement housing and to locate such units such that they do not cause an over-concentration of low-income housing. You do not have to identify the precise location of off-site units in your application to receive full points for this subfactor, but you must identify the types of neighborhoods where such housing will be planned and demonstrate the feasibility of such off-site development (i.e., land is available at an economically feasible price, community acceptance is likely, etc.).
 - (c) Access to Services. You will receive 1 point if, for both on-site and any off-site units, your overall plan will result in increased access to municipal services, jobs, mentoring opportunities, transportation, and educational facilities; i.e., the physical plan and self-sufficiency strategy are well integrated and strong linkages will be established with the appropriate Federal and state and local agencies, non-profits, and the private sector to achieve such access.

- (5) **Relocation and Section 8:** 5 Points. HUD encourages one-for-one replacement of demolished units, using a combination of hard units and Section 8 assistance. In order to receive **any** points for this rating factor, you **must** propose to use Section 8 assistance as a means of temporary and/or permanent relocation of families currently living in the targeted units so that families will have the full range of housing options available to them. To receive points, you must go beyond the requirements of the Uniform Relocation Act and propose a comprehensive, results-based HOPE VI Relocation Plan in which residents are actively involved. Your plan must conform with the requirements of the HOPE VI relocation guidance as provided by HUD. In awarding points under this rating factor, HUD will consider the following:
- (a) **Relocation Support.** You will receive up to 2 points if you demonstrate to HUD's satisfaction your team's plan and capacity to effectively implement **each** of the following elements of relocation support:
 - (i) Provide counseling to residents who choose Section 8 assistance that will help them to fully understand the full range of housing opportunities available to them in neighborhoods throughout the jurisdiction and to find housing in non-poverty areas;
 - (ii) Conduct programs designed to prepare residents for the transition to private rental housing, including one-on-one move counseling and life skills training, so that they may sustain their new living arrangement for the foreseeable future; and
 - (iii) If necessary, propose to use HOPE VI or other funds to modify Section 8 relocation units to make them accessible for residents with disabilities.
 - (b) **Community Outreach.** You will receive 1 point if you demonstrate that you have an effective plan to involve faith-based, non-profit and/or other organizations and/or individuals in the community to which relocatees choose to move, in order to ease the transition and minimize the impact on the neighborhood. You must also describe an effective plan for working with surrounding jurisdictions to assure a smooth transition if residents choose to move from your jurisdiction to the surrounding area. HUD will view favorably innovative programs such as community mentors, support groups, and the like.
 - (c) **Self-sufficiency.** You will receive 1 point if you demonstrate that your Team has both the capacity and an effective plan to provide results-based community and supportive service program support to Section 8 relocatees to achieve and maintain their self-sufficiency.
 - (d) **Tracking.** You will receive 1 point if you demonstrate that your Team has both the capacity and an effective plan for implementing a tracking system that will enable you and/or your CSS Team members to identify and track relocatees from the site to be revitalized and make regular follow-up services available to families receiving Section 8 assistance.

- (6) Community and Supportive Services: 4 Points. This factor evaluates the quality of your proposed CSS Workplan as described in your application. It is important that you review Section IV(C)(3)(c) of this HOPE VI section of the SuperNOFA for a detailed description of the requirements of a CSS Workplan, and Section IV(C)(3)(d) for a list of possible CSS activities. You are encouraged to go beyond these lists and propose CSS activities that break new ground by responding to unique needs in your community and/or which may serve as a national model for self-sufficiency and educational achievement.
- (a) You will receive 4 points if:
- (i) You propose a high-quality, results-oriented CSS Workplan that includes strong components of the basic elements of education, job training, and services that will enable all affected residents to transform their lives;
 - (ii) The CSS Workplan is well coordinated with strong, experienced service providers;
 - (iii) The CSS Workplan was developed using an effective needs assessment; and
 - (iv) Mechanisms are in place to effectively measure the goals of the CSS Component and evaluate its success.
- (b) You will receive 2 to 3 points if your CSS Workplan has a flaw in one of the elements listed in paragraphs (i) through (iv) above.
- (c) You will receive 1 point if your CSS Workplan has a flaw in more than one of the elements listed in (a)(i) through (iv) above.
- (d) You will receive 0 points if:
- (i) you merely repeat information from the NOFA, or
 - (ii) there is not enough information in your application to enable HUD to rate this factor.
- (7) Apprenticeship Program: 2 Points. As described Section VI(I) of the **General Section**, Bridging the Gap is a program in which HUD encourages you to assist public housing residents in obtaining construction apprenticeships. This will involve working with the local unions to provide entry level apprenticeships in construction, construction-related, and maintenance activities.

- (a) You will receive 2 points if you propose to implement a program that offers apprenticeships to residents or relocated residents of the targeted development. You must identify the union(s) you will work with and the number and types of jobs for which apprenticeships can be obtained.
 - (b) You will receive 0 points if:
 - (i) your program does not propose to assist residents in obtaining construction, construction-related, or maintenance-related apprenticeships, or
 - (ii) there is not enough information in your application to enable HUD to rate this factor.
- (8) **Resident and Community Outreach and Involvement:** 4 Points. In addition to the Threshold requirement for a resident training session and three public meetings provided in Section V(B)(3) and (4) of this HOPE VI section of the SuperNOFA, above, this rating subfactor evaluates the extent of involvement of residents and the broader community in the planning, proposed implementation, and management of your Revitalization Plan. HUD will evaluate the nature, extent, and quality of the resident and community outreach and involvement you have achieved by the time your application is submitted, as well as your plans for continued and/or additional outreach and involvement. HUD will evaluate your efforts to include affected residents and members of the surrounding community in the planning, implementation, and management of your proposed revitalization activities. In awarding points under this factor, HUD will consider the following:
- (a) **Collaboration and Inclusiveness.** You will receive 1 point if you demonstrate that you have:
 - (i) communicated **regularly and significantly** with affected residents and members of the surrounding community about your application;
 - (ii) Provided affected residents with substantive opportunities to participate in the development of the Revitalization Plan, including seniors and young people aged 16 to 21;
 - (iii) Included other interested parties, especially members of the surrounding community, in the development of your plans and application;
 - (iv) Developed specific plans for continued involvement and participation of residents and the broader community in the planning and implementation of revitalization activities if your application is Successful; and
 - (v) consulted with any duly elected resident organization (resident council or resident management corporation) in the development of your Revitalization Plan.

- (b) **Logistics.** You will receive 1 point if you demonstrate that you have:
- (i) Scheduled training session(s) and public meetings with affected residents and other interested parties during the development of your application at frequent and convenient times, over and above the requirements of Section IV(C)(1) and (2) of this HOPE VI section of the SuperNOFA, above;
 - (ii) Announced meetings in ways that are in addition to the requirements of Section IV(C)(1)(d) and (2)(b), above, designed to generate the most participation. Methods of announcing upcoming meetings include, but are not limited to:
 - (A) Hand distributing flyers to residences and in locations likely to attract notice; and
 - (B) Posting meeting information in adequate time to allow residents and other interested parties to plan to attend.
 - (iii) Provided services needed to maximize participation, including day care, translators, sign language interpreters, and transportation to and from the meetings. If such services are not needed, explain why they are not.
 - (iv) Ensured that all meetings are held in facilities that are accessible to persons with disabilities.
- (c) **Communication.** You will receive 1 point if you demonstrate that you have communicated **effectively** with affected residents and members of the surrounding community by:
- (i) Providing reasonable training and technical assistance on the HOPE VI development process and general principles of development to affected residents, in order to enable them to participate meaningfully in the development of your application, and developing plans to provide further training and technical assistance if your application is successful;
 - (ii) Providing information to and receiving input from affected residents and other interested parties about your planned revitalization;
 - (iii) Incorporating input and recommendations of interested parties, especially affected residents, to the extent possible, into your application;
 - (iv) Generating support for your application among interested parties;
 - (v) Providing status reports on the development of your application to residents; and
 - (vi) Providing that appropriate HUD communications are made available to affected residents and the broader community (i.e., a copy of the NOFA, notification of any HUD video conferences regarding the NOFA, computer access to the HUD website, etc.)

- (d) **Dissent.** You will receive 1 point if you have acknowledged and attempted to address any dissenting viewpoints among affected residents and other interested parties, as expressed by letters of dissent.
- (i) If there has been no opposition to your plan, you will automatically earn this point.
 - (ii) Where there is resident or community opposition to the plan, HUD will evaluate your analysis of the reasons for and extent of the opposition, and your current and proposed plans for dealing with the opposition.
 - (iii) In order to give you the opportunity to respond to any letters of dissent, HUD will only consider copies letters of dissent that are received by HUD at least ten days before the Revitalization grant application deadline date. To ensure that you have received each letter of dissent that is sent to HUD, letters of dissent must be sent to you by return receipt, and must include a copy of the return receipt acknowledgement demonstrating that you have received the letter. **The sole purpose of this provision is to allow HUD to evaluate your response to the dissent expressed in such letters, and is for application rating purposes only;** HUD will not respond directly to dissent letters. The ten day deadline is also for application rating purposes only, and **does not preclude residents, members of the community, or any other interested party from registering dissenting opinions with you after the deadline has passed.**
 - (iv) You will not earn this point if HUD receives a properly documented copy of a letter of dissent that has been sent to you and you have not acknowledged and attempted to address the dissenting viewpoints in your application.

- (9) Operation and Management Principles and Policies: 3 Points. Any HOPE VI-funded activities at public housing projects are subject to statutory requirements applicable to public housing projects under the 1937 Act, other statutes, and the Annual Contributions Contract (ACC). Within such restrictions, HUD seeks innovative solutions to the long-standing problems of severely distressed public housing projects. You may request, for the revitalized development, a waiver of HUD regulations (that are not statutory requirements) governing rents, income eligibility, or other areas of public housing management that will permit you to undertake measures that enhance the long-term viability of a development revitalized under this program. HUD will assess each request to determine whether good cause is established to grant the waiver.
- (a) You will receive 3 points if you demonstrate that your Team has an effective plan to carry out **each** of the following 10 elements of the "Self-Sufficiency and Economic Diversity" and "Safety and Security" categories listed below. You must adequately address every element in order to earn full points for this factor.
 - (b) You will receive 2 points if you demonstrate that your Team has an effective plan to carry out at least 7 of the 10 elements listed below, which must include elements 1 - 3 of the "Self-Sufficiency and Economic Diversity" category.
 - (c) You will receive 1 point if you demonstrate that your Team has an effective plan to carry out at least 5 of the 10 elements.
 - (d) You will receive 0 points if you demonstrate that:
 - (i) Your Team has an effective plan to carry out fewer than 5 elements; or
 - (ii) The operation and management principles you propose to implement at the revitalization site, regardless of the number of elements you propose to implement, are not likely to result in improved management; or
 - (iii) There is not enough information in your application to enable HUD to rate this factor.

Self-Sufficiency and Economic Diversity. You must propose operation and management principles and policies to be applied to on- and/or off-site public housing that will encourage residents to move in, move up, and move on. Such principles and policies must:

1. Reward work and promote family stability by promoting positive incentives such as income disregards and ceiling rents;

2. Promote economically and demographically diverse living patterns, e.g., inclusion of persons of different races/ethnic groups, families with or without children, persons with disabilities and able-bodied persons, and the elderly, by:
 - Instituting a system of local preferences adopted in response to local housing needs and priorities, e.g., preferences for victims of domestic violence, residency preferences, disaster victims;
 - Aggressively pursuing affirmative marketing which attracts individuals with a broad spectrum of incomes and attracts all segments of the eligible population to the project on a nondiscriminatory basis; and
 - Reaching out to persons with disabilities;
3. Encourage self-sufficiency by including lease requirements that promote involvement in the resident association, performance of community service, participation in self-sufficiency activities, and transition from public housing;
4. Complement self-sufficiency activities by creating a revitalized development occupied by residents with a range of incomes;
5. Create strong, stable, well-run developments by implementing site-based waiting lists for the redeveloped public housing and/or following project-based management principles.

Safety and Security. You must demonstrate that your proposed operation and management principles and policies will provide greater safety and security for residents and the community. Such principles and policies must include the following activities:

6. Institute strict applicant screening requirements such as credit checks, references, home visits, and criminal records checks;
7. Strictly enforce lease and eviction provisions;
8. Enhance on-going efforts to eliminate drugs and crime from neighborhoods through collaborative efforts with local law enforcement agencies, the local United States Attorney, and Federal, state, and local crime prevention programs, and implement program policy efforts such as "One Strike and You're Out," the "Officer Next Door" initiative, the Department of Justice's "Weed and Seed" Program task force (if the targeted project is located in a designated Weed and Seed area); HUD's "Operation Safe Home" Program; and/or HUD's Drug Elimination Programs;
9. Improve the safety and security of residents through the implementation of defensible space principles, anti-crime measures, and the installation of physical security systems such as surveillance equipment, control engineering systems, etc.;
10. Improve the safety of children by promoting the principles of Healthy Homes. Healthy Homes activities are described in Section VI(F) of the **General Section** of this SuperNOFA, the Glossary in the HOPE VI Application Kit, and on HUD's Healthy Homes website (www.hud.gov/consumer/hhchild.cfm).

- (10) **Affirmatively Furthering Fair Housing:** 5 Points. You must affirmatively further fair housing through the physical design of the revitalized units, the location of new units, marketing of housing that will encourage diversity, and tenant selection and assignment strategies that promote fair housing choice. You are strongly encouraged to work with local advocacy groups that represent individuals with disabilities, the elderly, and other special needs populations to further these goals. Definitions of accessibility and adaptability can be found in the Glossary, which is located in the HOPE VI Application Kit and on the HOPE VI website (www.hud.gov/hopevi).

In awarding points under this rating factor, HUD will consider the following:

- (a) **Accessibility:** 2 points. The design of your proposed site plan, non-residential structures and facilities, and new construction and/or rehabilitation of housing must conform to the civil rights statutes and regulations required in Section II(B) of the **General Section** of this SuperNOFA. Information on accessibility can be found on HUD's Fair Housing Home Page (www.hud.gov/groups/fairhousing.cfm). **Over and above these accessibility requirements:**
- (i) You will receive 2 points if you clearly describe your plans to implement all of the following suggested accessibility priorities:
 - (A) Make at least 5 percent of the total dwelling units (or one unit per building where applicable) accessible to individuals with mobility impairments and 2 percent of the dwelling units (or one unit per building, where applicable) accessible to individuals who have visual or hearing impairments;
 - (B) Provide one-bedroom accessible rental units for single individuals with disabilities;
 - (C) Provide for accessibility modifications, where necessary, to Section 8 units of residents who relocate from the targeted project due to revitalization activities;
 - (D) Where playgrounds are planned, propose ways to make them accessible to children with disabilities, over and above statutory and regulatory requirements;
 - (E) Where possible, design units with accessible front entrances.
 - (ii) You will receive 1 point if you do not propose to implement all of the accessibility priorities above but you provide an adequate explanation as to why you cannot implement all of the priorities;

- (iii) You will receive 0 points if:
 - (A) you do not propose to implement all of the accessibility priorities and you do not describe in detail why you cannot implement one or more of the priorities, or
 - (B) there is not enough information in your application to enable HUD to rate this factor.
- (b) Adaptability and Visitability. You will receive 1 point if your physical plan meets the:
 - (i) adaptability standards adopted by HUD at 24 CFR 8.3 that apply to those units not otherwise covered by the accessibility requirements. The elements of adaptability are included in the HOPE VI Application Kit Glossary; and
 - (ii) the visitability standards adopted by HUD that apply to units not otherwise covered by the accessibility requirements. The elements of visitability are described in the HOPE VI Application Kit Glossary.
- (c) Affirmative Marketing and Outreach. You will receive 2 points if your program activities are targeted to a broad range of eligible residents, including the elderly, persons with disabilities, etc. In addition, HUD will evaluate your efforts to increase community awareness of the need for and benefits from diversity, in a culturally sensitive manner, through education and outreach, as applicable. Your marketing and outreach activities must be targeted to all segments of the population on a nondiscriminatory basis, promote housing choice and opportunity throughout your jurisdiction, and contribute to the deconcentration of minority and low-income neighborhoods. HUD will evaluate your description of the specific steps you will take to:
 - (i) Examine your own programs or proposed programs, including an identification of any impediments to fair housing (identified in your jurisdiction's Analysis of Impediments to Fair Housing Choice) and develop a plan to:
 - (A) address those impediments in a reasonable fashion in view of the resources available;
 - (B) work with local jurisdictions to implement any of the jurisdictions initiatives to affirmatively further fair housing; and
 - (C) maintain records reflecting this analysis and actions.
 - (ii) Remedy discrimination in housing; and
 - (iii) Promote fair housing rights and fair housing choice.

- (11) **Evaluation:** 2 Points. In order to earn points under this rating factor, you must propose to work with local university(ies), other institutions of learning, foundations, and/or others to evaluate the performance and impact of your proposed HOPE VI Revitalization Plan. Where possible, HUD encourages you to form partnerships with Historically Black Colleges and Universities (HBCUs); Hispanic-Serving Institutions (HBIs); Community Outreach Partnership Centers (COPCs); the Alaskan Native/Native Hawaiian Institution Assisting Communities Program (as appropriate); and others in HUD's University Partnerships Program.

You will receive up to 2 points if you provide a letter(s) from an institution(s) of higher learning that provides a commitment to work with you to evaluate your program and describes its proposed approach to carry out the evaluation. The award of points will depend on the level of commitment and involvement, the degree to which you and the local institution of higher learning will cooperate, and the quality of the proposed approach.

If you are selected for funding, HUD will work with you and your partners on the basic methodology to be used, but you may augment this methodology to study additional activity. The letter must address the following areas for evaluation:

- (a) The impact of your HOPE VI effort on the lives of the residents;
- (b) The nature and extent of economic development generated in the community;
- (c) The effect of the revitalization effort on surrounding communities, including spillover revitalization activities, property values, etc.; and
- (d) Your success at integrating the physical and social aspects of your strategy and achieving the goals stated in your application.

Rating Factor 4: Leveraging Resources (10 Points)

Match vs. Leverage. There is an important difference between the terms match and leverage. In accordance with Section IV(D)(3) of this HOPE VI section of the SuperNOFA, all HOPE VI Revitalization grant funds are subject to a **matching** requirement. By signing the HOPE VI Revitalization Grant Applicant Certifications (Appendix A to this HOPE VI section of the SuperNOFA), you will certify that, **if selected for funding**, you will provide matching funds which, combined with HOPE VI funds, will enable you to carry out revitalization activities, including CSS activities. If selected for funding, you will be required to show evidence of matching resources through your quarterly reports as your project proceeds. Evidence of match is **not required** up front in your application.

Leverage, on the other hand, consists of firm commitments of funds and other resources that you can demonstrate **now**, at the application stage. HUD will rate your application based on the amount of funds and other resources that will be leveraged by the HOPE VI Grant as a percentage of the amount of HOPE VI funds requested.

In your application, you will enter basic information about each source of leverage on the Leveraged Resources Summary Forms: name of the organization providing the resource, the dollar value of the resource, and its proposed use. For each source of leverage you list, you **must** provide a commitment document, such as a letter, memorandum of understanding, agreement to participate, city council resolution, or other evidence of the resource to be committed. Any conditions attached to the commitment of the resource must be stated in the document. Each commitment document must include the dollar value of the commitment, and that dollar value **must be consistent** with the amount entered on the Leveraged Resources Summary Forms. On the Forms you will also enter the page number of your application where the commitment document is located. Endorsements or general letters of support from organizations or vendors alone **will not** count as leverage and should not be included in the application or on the Leveraged Resources Summary Forms. The commitment document must be signed by an official of the organization legally authorized to make commitments on behalf of the organization. **Commitment documents will not count in the 100 page limit for Attachments.**

HUD recognizes that in some cases, firm commitments cannot be made at the application stage. In such a case, if the entity describes why the firm commitment cannot be made at the current time but affirms that your PHA and your HOPE VI Revitalization Plan meet the eligibility criteria for receiving the resource, HUD will consider the amount adequately documented. This is particularly important with regard to Low Income Housing Tax Credits, where forward commitments are typically not possible.

For each commitment document, HUD will evaluate the strength of commitment and add the amounts that are acceptably documented. HUD will then calculate the ratio of the amount of HUD funds requested to the amount of leveraged funds that HUD deems acceptably documented.

- (1) **Physical Development Resources:** 6 Points. HUD seeks to fund mixed-finance developments that use HOPE VI funds to leverage the maximum amount of other physical development funds, particularly from private sources, that will result in revitalized public housing, other types of assisted and market rate housing, and private retail and economic development.
- (a) **Types of Physical Development Resources.** Physical development resources that may be counted as leverage include, but are not limited to:
- (i) Mortgage secured loans and other debt. **Where there is both a construction loan and a permanent take-out loan, include only the take-out loan.**
 - (ii) Insured loans.
 - (iii) Donations and contributions.
 - (iv) Housing trust funds.
 - (v) Homeowner loans.
 - (vi) Funds committed to build private sector housing in direct connection with the HOPE VI Revitalization Plan.
 - (vii) Funds committed for the physical development costs of schools, libraries, economic development and/or commercial facilities **that would not otherwise be planned if not for the proposed HOPE VI Revitalization Plan.**
 - (viii) Low Income Housing Tax Credits. If you propose to use tax credits as a part of your financing, you must include in your application a letter from your State or local Housing Finance Agency that provides information from the allocation plan regarding the total amount and type (4 percent vs. 9 percent) of tax credits available, any set-asides available for PHAs, any per-project funding limits, the schedule of funding rounds, verification that your project meets eligibility criteria, phasing, and other pertinent information that will enhance your project's likelihood to receive the desired tax credits. If your application includes a letter from a Housing Finance Agency which addresses these issues, the tax credits will be considered documented and you may count their dollar value in your development resources leverage ratio. If your application does not include such a letter, the amount of tax credit dollars you propose will not be counted as leverage.

- (b) Sources of Physical Development Resources. You must actively enlist other stakeholders who are vested in and can provide **significant financial assistance** to your revitalization effort. Sources of development resources that can be used for leveraging may include:
- (i) Public, private, and non-profit entities.
 - (ii) State and local Housing Finance Agencies.
 - (iii) Local governments.
 - (iv) The city's housing and/or redevelopment agency or other comparable agency. HUD will consider this to be a separate entity with which you are partnering if your PHA is also a redevelopment agency or otherwise has citywide responsibilities.
 - (A) You are strongly urged to seek a pledge of Community Development Block Grant (CDBG) funds or other local funds from your city, county or state for improvements to public infrastructure such as streets, water mains, etc. related to the revitalization effort. Information on CDBG can be found on the HUD Home Page (www.hud.gov/cpd/cpd/cpdprog.html);
 - (B) The city, county or state may provide HOME funds to be used in conjunction with HOPE VI funds, but HOME funds may not be used in conjunction with Public Housing Capital Funds under section 9(d) of the 1937 Act. Information about the HOME Program can be found on HUD's HOME website (www.hud.gov/cpd/home/homeweb.html).
 - (v) Foundations.
 - (vi) Financial institutions, banks or insurers.
 - (vii) Other private funders.
- (d) Other HUD Public Housing Funds. Although you may commit other Federal public housing funds such as Capital Funds under section 9(d) of the 1937 Act to meet your **match** requirement if you are selected for funding, your commitment of these types of funds will **not** count towards your **leverage** ratio for the purposes of rating your application.
- (e) Anticipatory Resources. In many cases, PHAs, cities, or other entities may have carried out revitalization activities in previous years in anticipation of your receipt of a HOPE VI Revitalization grant. Expenditures that were made in anticipation of your receiving HOPE VI funding in previous years, even though you were unsuccessful in receiving a HOPE VI Revitalization grant, will count toward leverage in the FY 2001 funding competition, provided they meet the criteria described in this rating factor.

(f) Rating.

- (i) You will receive 6 points if the ratio of the amount of HOPE VI funds requested for physical development activities to the dollar value of documented, committed development resources leveraged from other sources is 1:4 or higher.
- (ii) You will receive 5 points if the ratio is between 1:3 and 1:4.
- (iii) You will receive 4 points if the ratio is between 1:2.5 and 1:3.
- (iv) You will receive 3 points if the ratio is between 1:2 and 1:2.5.
- (v) You will receive 2 points if the ratio is between 1:1 and 1:2.
- (vi) You will receive 1 point if the ratio is 1:1.
- (vii) You will receive 0 points if:
 - (A) the ratio is less than 1:1, or
 - (B) there is not enough information in your application to enable HUD to rate this factor.

(2) Collateral Investment: 1 Point. Collateral Investment includes physical redevelopment activities underway or projected to be completed before October 2006, such as schools, libraries, subway or light rail stations, or improved roads, which will enhance the new HOPE VI community but will occur whether or not the site is revitalized. Economic or other kinds of development activities that would have occurred with or without the anticipation of HOPE VI-funded revitalization of the site will count as leverage for this factor only.

- (a) You will receive 1 point if the ratio of the amount of the total HOPE VI grant requested to the dollar value of documented collateral investment is 1:2 or higher.
- (b) You will receive 0 points if:
 - (i) the ratio of the HOPE VI request to the collateral investment amount is less than 1:2, or
 - (ii) there is not enough information in your application to enable HUD to rate this factor.

- (3) Community and Supportive Services Resources: 3 Points. In order to achieve quantifiable self-sufficiency results, you must form partnerships with organizations that are skilled in the delivery of services to residents of public housing and that can provide commitments of resources to support those services. Leveraging scarce HOPE VI CSS funds with other funds and services is critical to the sustainability of CSS activities so that they will continue after the HOPE VI funds have been expended.
- (a) Types of resources. Resources for CSS activities may include financial contributions from Federal, State, or local governments or from private entities. Resources may also include the dollar value of in-kind contributions such as materials, a building, a lease on a building, other infrastructure, time and services contributed by volunteers, staff salaries and benefits, and supplies related to the provision of CSS activities that will contribute to the successful transformation of the lives of residents.
- (b) Sources of resources.
- (i) See Section IV(C)(3)(e) of this HOPE VI section of the SuperNOFA for a list of the kinds of organizations, agencies, and other possible resource providers that can provide you with resources for your CSS activities.
- (ii) In accordance with Section IV(C)(3)(b) of this HOPE VI section of the SuperNOFA, you may enter into subgrantee agreements with nonprofit organizations to provide CSS activities. HUD encourages you to select subgrantees that can bring in-kind resources to the project.
- (c) Rating. The number of points you receive will depend on the ratio of the amount of HOPE VI dollars requested for CSS activities to the dollar value of the resources committed from other sources for CSS programs. **A letter of general commitment without a dollar figure of committed resources included will not be counted as a resource for this rating factor.** Include **only** funds that will be newly-generated for HOPE VI CSS activities. HUD will not count as leverage any funds that have been provided routinely, such as TANF payments or funds that support ongoing CSS-type activities.
- (i) You will receive 3 points if the ratio of the amount of HOPE VI funds requested for CSS activities to the dollar value of documented, committed CSS resources leveraged from other sources is 1:4 or higher. If no HOPE VI funds are requested for CSS activities because all CSS funds will come from outside sources, all adequately-documented funds from such outside sources will be counted and you will receive 3 points.
- (ii) You will receive 2 points if the ratio is between 1:3 and 1:4.
- (ii) You will receive 1 point if the ratio is between 1:2 and 1:3.
- (iii) You will receive 0 points if:
- (A) the ratio is less than or equal to 1:2, or
- (B) there is not enough information in your application to enable HUD to rate this factor.

Rating Factor 5: Coordination and Community Planning (10 Points)

This factor evaluates your actions to address the need for revitalized public housing in a holistic and comprehensive manner by coordinating the revitalization of public housing with the overall plans for revitalization and related activities in the broader community. It also evaluates your participation in or commitment to participate in the community's Consolidated Planning process.

(1) Coordination of Revitalization Activities: 5 Points.

- (a) This factor evaluates the actions you have taken to coordinate with other agencies - not to provide services, but to ensure that your activities are consistent with other revitalization, development, economic development, transportation, and other similar activities in the neighborhood, the surrounding community, and the city or county at large. Public housing revitalization must not happen in a vacuum, and it is critical that all parties work together to share information and coordinate ongoing and planned activities in order that those plans complement and reinforce each other activities.
- (b) HUD will evaluate the specific steps you have taken to:
 - (i) coordinate your proposed activities with related activities of other agencies, groups, or organizations outside the scope of those covered by the Consolidated Plan;
 - (ii) develop comprehensive solutions that best complement, support, and coordinate other revitalization and related activities, such as plans for changes in transportation, infrastructure, land use, and other issues that may affect the planned public housing revitalization; and
 - (iii) share information about solutions and outcomes with relevant agencies through meetings, information networks, planning processes or other mechanisms.
- (c) Rating.
 - (i) You will receive 3 to 5 points if you provide letters, memoranda of agreement, or other documentation from organizations and agencies that describe your relationships and substantiate the actions you have taken to coordinate with a variety of relevant groups.
 - (ii) You will receive 1 to 2 points if you provide documentation that you have taken some actions to coordinate your proposed activities with relevant groups, but your overall effort does not include a variety of different kinds of groups and/or you do not show strong evidence of active coordination.

- (iii) You will receive 0 points if:
 - (A) your actions to coordinate with relevant groups are not comprehensive; and/or
 - (B) your relationships are not strong or well documented; or
 - (C) there is not enough information in your application to enable HUD to rate this factor.

(2) Participation in Consolidated Plan/AI Process: 5 Points.

This factor evaluates your efforts to participate in your jurisdiction's **Consolidated Planning** process, whether the need for the revitalization of severely distressed public housing is identified in the Consolidated Plan, and whether severely distressed public housing is identified as an impediment to fair housing choice in your jurisdiction's **Analysis of Impediments to Fair Housing Choice** (AI). Information on the Consolidated Plan can be found on the HUD Home Page (www.hud.gov/cpd/conplan.html). (A Certification of Consistency with the Consolidated Plan, as provided in the HOPE VI Application Kit, is a required element of each HOPE VI Revitalization application.)

- (a) You will receive 3 to 5 points if:
 - (i) you have cited language from your jurisdiction's **Consolidated Plan** that identifies revitalization of severely distressed public housing as an urgent need in the community, and indicates that your HOPE VI Revitalization Plan is tied to other revitalization planned in the broader community and in the jurisdiction as a whole; that they are consistent with plans or organizing efforts in the immediate, surrounding neighborhood; **and** you have cited language from your jurisdiction's **AI** that identifies severely distressed public housing as an impediment to fair housing choice; **or**
 - (ii) the Consolidated Plan and AI are applicable to your jurisdiction, but they do not identify severely distressed public housing as an urgent need or an impediment to fair housing choice; you have explained in detail why severe distress of public housing is not identified; described your efforts to alert the jurisdiction to the need for public housing revitalization as a priority; have begun work with the jurisdiction to amend the Consolidated Plan and AI to include revitalization of severely distressed public housing as an urgent need; and you have coordinated with other revitalization efforts in the community; **or**
 - (iii) if the Consolidated Plan and AI are not applicable to your community, you have demonstrated that you have participated in other community-wide planning efforts; used other sound and reliable data sources to show that the community has identified the need for revitalization of severely distressed public housing and the urgency in meeting the need; and submitted a letter from the Mayor or other Chief Executive Officer of the jurisdiction and a letter from the City Council or other elected legislative body confirming the need to revitalize severely distressed public housing, the urgency of meeting the need, and the jurisdiction's commitment to addressing this need.

- (b) You will receive 1 to 2 points if you have demonstrated that you have participated in the Consolidated Planning process, but the Consolidated Plan does not address the revitalization of severely distressed public housing.
- (c) You will receive 0 points if:
 - (i) your community's Consolidated Plan and AI do not identify the revitalization of severely distressed public housing as a need or as an impediment to fair housing choice, and you have not provided an adequate explanation of why they do not;
 - (ii) the Consolidated Plan and AI are not applicable to your community, and you have not thoroughly documented your level and urgency of need through other sound and reliable sources; or
 - (iii) there is not enough information in your application to enable HUD to rate this factor.

Empowerment Zone/Enterprise Community Bonus (2 Points)

You will receive up to 2 bonus points if you propose to revitalize severely distressed public housing that is located in a **Federally-designated** Empowerment Zone (EZ), Enterprise Community (EC), rural EC, or Urban Enhanced Enterprise Community (also referred to as EC). To be eligible for the bonus points, activities must serve EZ/EC residents and the application must include a certification that activities are consistent with the strategic plan for the EZ or EC. A listing of eligible EZs and ECs is attached to the **General Section** of the SuperNOFA as Appendix A-2, and also can be found on HUD's EZ/EC Website (www.hud.gov/cpd/ezec/ezbyec.html). To determine whether your site is within an EZ or EC, use the EZ/EC Locator (www.hud.gov/ezec/locator). Note that if the public housing project is located in a similar economic development area designated by your state or city, but is not located in a Federally-designated EZ or EC, your application **will not** be eligible for these bonus points.

VII. HOPE VI Demolition Grant Application Selection Process

- (A) HOPE VI Demolition Grant Funding Categories. HUD will select HOPE VI Demolition grant applications on a first-come, first-served basis, by an application's Priority Group and Ordinal. HOPE VI Demolition grant applications are not rated.

- (1) Priority Groups. You must identify each HOPE VI Demolition grant application by its appropriate Priority Group, as described below. Each application must target units of a single Priority Group; e.g., do not include Priority Group 1 units in the same application as Priority Group 2 units.
- (a) Priority Group 1: Priority Group 1 applications target units included in an **approved** Section 202 Mandatory Conversion Plan. The Section 202 Conversion Plan must be approved by HUD on or before the HOPE VI Demolition grant application deadline date under this HOPE VI section of the SuperNOFA.
- (b) Priority Group 2.
- (i) Priority Group 2 applications:
- (A) target units included in a Section 202 Mandatory Conversion Plan that you have **submitted** to HUD on or before the HOPE VI Demolition grant application deadline date, or
- (B) target units that, in HUD's sole determination under section 537(c) of the Public Housing Reform Act of 1998, are subject to the removal requirements of 24 CFR part 971 and can be expected to be demolished in accordance with the time schedule required by Section IV(F)(1) of this HOPE VI section of the SuperNOFA, above.
- (ii) If you submit a HOPE VI Demolition grant application for units that are targeted in a Section 202 Mandatory Conversion Plan that was submitted under 24 CFR part 971 but not yet approved (Priority Group 2), and HUD subsequently approves the Conversion Plan before the HOPE VI Demolition grant application deadline date, you may revise your application and it will be reclassified as Priority Group 1. HUD will change the original Ordinal to the Ordinal corresponding to the date that the revision was received.
- (iii) If you submit a Section 202 Mandatory Conversion Plan but HUD determines that the targeted project does not qualify for conversion under 24 CFR part 971, your HOPE VI Demolition grant application will not be eligible for funding. If you intend to submit a Priority 1 or 2 application, discuss the project with your Field Office to ensure that it qualifies under the standards of 24 CFR part 971.

- (c) **Priority Group 3.** Priority Group 3 applications target units that were included in a HUD-**approved** application for demolition that was developed in accordance with section 18 of the 1937 Act, as amended ("Section 18 demolition application").
- (i) Your Section 18 demolition application must be **approved** by HUD on or before the HOPE VI Demolition grant application deadline. You are advised that in order to allow for sufficient time for a new Section 18 demolition application to be processed, you should submit your Section 18 demolition application to HUD's Special Application Center (SAC) no later than March 30, 2001. If your Section 18 demolition application does not meet the statutory requirements of Section 18, including the requirement for HUD Field Office approval of the Interim or PHA Plan as required by 24 CFR part 903, HUD will not approve the Section 18 demolition application and your HOPE VI Demolition grant application will not be eligible for funding.
 - (ii) If you have submitted a Section 18 demolition application to the SAC but it has not yet been approved by HUD when you submit your HOPE VI Demolition grant application, your HOPE VI application will not be considered complete and you will not receive an Ordinal unless and until your Section 18 demolition application is **approved** on or before the HOPE VI Demolition Grant Application deadline.
 - (iii) If your Section 18 demolition application is approved by HUD on **July 9 or 10, 2001 only**, you are not required to submit your approval letter to HUD, and HUD will deem the approval letter to have been submitted in the application. In such a case, if your application is otherwise complete, your Ordinal will be the date that HUD approves your Section 18 demolition application.
 - (iv) If HUD has previously approved your Section 18 demolition application but HUD later rescinded the approval, your Section 18 demolition application will **not** be considered approved by HUD and your HOPE VI Demolition grant application will not be eligible for funding.
- (d) **Priority Group 4:**
- (i) Priority Group 4 applications target units that:
 - (A) were targeted for demolition in a previously-approved HOPE VI Revitalization application and the **demolition that has not yet been carried out**; or
 - (B) were not originally targeted for demolition in a previously-approved HOPE VI Revitalization application but are located in the same project and at the same site that will be revitalized using an existing Revitalization grant, and **have not yet been demolished**.

- (ii) The requested HOPE VI Demolition grant funds, in combination with the existing HOPE VI Revitalization grant funds, may not exceed the TDC/Housing Cost Cap (HCC) limit in effect at the time the HOPE VI Revitalization Grant was approved by HUD.
 - (A) If the Revitalization grant is below TDC/HCC, any dollars freed up as a result of the proposed additional demolition grant funds may be used for any construction costs, up to the project's TDC/HCC limit.
 - (B) If the Revitalization grant is below or at TDC/HCC, the dollars freed up from the proposed additional demolition grant funds may be used for the demolition of additional units or for Community Renewal costs such as Extraordinary Site Costs that fall outside of HCC.
 - (iii) If a Priority Group 4 HOPE VI Demolition application is selected for funding, HUD will approve the planned demolition:
 - (A) in its approval of your Supplemental Submissions for the Revitalization grant;
 - (B) by amending its approval of your Supplemental Submissions, if they have already been approved by HUD; or
 - (C) by approving a Section 18 demolition application, if you choose to submit one.
 - (iv) HUD reserves the right to rescind a Priority Group 4 Demolition grant if it determines that the targeted units cannot be approved under section (d)(iii) above.
- (2) Ordinals. Upon receipt, HUD will assign each HOPE VI Demolition grant application an Ordinal (i.e., ranking number) that reflects the date HUD Headquarters received the application. Ordinals correspond to business days, starting with the date HUD receives the first Demolition grant application and ending on the HOPE VI Demolition grant application deadline date, as specified in Section I of this HOPE VI section of the SuperNOFA, above. HUD will consider all applications received on the same date as received at the same time on that date, and those applications will all be assigned the same Ordinal.

(B) Demolition Screening.

- (1) HUD will screen the application to ensure that it:
 - (a) Meets each HOPE VI threshold criterion listed in Sections V(A) and V(C) of this HOPE VI section of the SuperNOFA, above; and
 - (b) Includes each application submission requirement listed in Section IX(B) of this HOPE VI section of the SuperNOFA, below.
- (2) If HUD determines that an application is not eligible for funding (e.g., the applicant is not a PHA, the units have already been demolished, etc.), HUD will not consider the application further and will immediately notify the applicant that the application has been rejected.
- (3) If HUD determines that an application is eligible but incomplete, within approximately two days of receipt of the application, HUD will contact you in writing by fax (followed up with a hard copy by mail) to request the missing information. If HUD finds your application and other applications received on the same day to be incomplete, HUD will notify all such applicants of their missing items on the same day. Since HOPE VI Demolition grant applications are not rated, you may submit information to complete your application at any time before the HOPE VI Demolition grant application deadline date. However, if your application is received on the deadline date and it is missing a required submission, you will have no opportunity to submit any missing item after the deadline date and your HOPE VI Demolition grant application will be ineligible for funding.

PLEASE NOTE: THIS PROVISION MEANS THAT THE NEARER TO THE DEADLINE DATE YOU SUBMIT YOUR APPLICATION, THE LESS TIME YOU WILL HAVE TO CORRECT ANY DEFICIENCIES, AND IF HUD RECEIVES YOUR APPLICATION **ON** THE DEADLINE DATE AND THERE IS A DEFICIENCY, THAT APPLICATION WILL **NOT** BE ELIGIBLE FOR FUNDING. YOU ARE ADVISED TO SUBMIT YOUR APPLICATION AS SOON AS POSSIBLE, IN THE EVENT THAT HUD IDENTIFIES A DEFICIENCY THAT YOU NEED TO CORRECT.

- (4) If HUD determines that the information you submit in response to a notification of deficiency is correct and completes the application, HUD will change the application's Ordinal to the Ordinal corresponding to the date that HUD received the information.
- (5) If HUD determines that the information submitted does not make the application complete, HUD will notify you of the remaining deficiency. You will have the opportunity to submit information in response to notifications of deficiency up until the HOPE VI Demolition grant application deadline date.
- (6) If you do not submit the requested information by the HOPE VI Demolition grant deadline date, your application will be ineligible for funding.

- (C) Funding. HUD will award HOPE VI Demolition grants in the following order, based on fund availability.
- (1) HUD will fund Priority Group 1 applications by Ordinal.
 - (2) If funds remain after HUD has funded all eligible Priority Group 1 applications, HUD will fund Priority Group 2 applications by Ordinal.
 - (3) If funds remain after HUD has funded all eligible Priority Group 2 applications, HUD will fund Priority Group 3 applications by Ordinal.
 - (4) If funds remain after HUD has funded all eligible Priority Group 3 applications, HUD will fund Priority Group 4 applications by Ordinal.
 - (5) At any stage, if there is more than one application with next Ordinal to be funded and there are insufficient funds to fund all of them, HUD will conduct a lottery among those applications to determine which application(s) will be funded.
 - (6) HUD reserves the right to partially fund the next eligible application if insufficient funds remain to fund the entire amount requested, and HUD determines that the funds available are adequate to carry out some significant demolition activities.
 - (7) If funds remain after all eligible HOPE VI Demolition grant applications have been funded or if the amount remaining is inadequate to feasibly fund the next eligible Demolition grant application, HUD reserves the right to:
 - (a) reallocate unused funds to fund or supplement the next eligible HOPE VI Revitalization application(s), in rank order, or
 - (b) carry over unused funds to the next fiscal year.

VIII. Grant Award Procedures

(A) Revitalization Grants.

- (1) **Notification of Funding Decisions.** The HUD Reform Act prohibits HUD from notifying you as to whether or not you have been selected to receive a Revitalization grant until it has announced all HOPE VI Revitalization grant recipients. If your Revitalization application has been found to be ineligible or if it did not receive enough points to be funded, you will not be notified until the successful applicants have been notified. HUD will provide written notification to all HOPE VI applicants, whether or not they have been selected for funding.
- (2) **Environmental Review.** HUD notification that you have been selected to receive a HOPE VI grant constitutes only preliminary approval. Grant funds may not be released until the responsible entity completes an environmental review and you submit and obtain HUD approval of a request for release of funds and the responsible entity's environmental certification in accordance with 24 CFR part 58 and Section IV(B)(6) of this HOPE VI section of the SuperNOFA, above (or HUD has completed an environmental review under 24 CFR Part 50 where HUD has determined to do the environmental review).
- (3) **Revitalization Grant Agreement.** When you are selected to receive a Revitalization grant, HUD will send you a HOPE VI Revitalization Grant Agreement, which constitutes the contract between you and HUD to carry out and fund public housing revitalization activities. Both you and HUD will sign the cover sheet of the Grant Agreement. It is effective on the date of HUD's signature. The Grant Agreement sets forth:
 - (a) The amount of the grant;
 - (b) The HOPE VI Requirements;
 - (c) Revitalization Plan components;
 - (d) Revitalization activities and requirements;
 - (e) Changes to the Revitalization Plan;
 - (f) Replacement unit and waiver information;
 - (g) Budget requirements;
 - (h) Drawdown procedures;
 - (i) Matching fund requirements;
 - (j) Finance and accounting procedures;
 - (k) Recordkeeping requirements;
 - (l) Requirements for subgrantees, contractors, and subcontractors;
 - (m) Resident and community involvement requirements;
 - (n) Environmental review procedures;
 - (o) Fair Housing certifications;
 - (p) Building standards and design components;
 - (q) Labor standards;
 - (r) Conflict of interest provisions;
 - (s) Reporting requirements;
 - (t) Technical assistance procedures;
 - (u) Default provisions; and
 - (v) Grant closeout procedures.

(B) Demolition Grants.

- (1) Notification of Funding Decisions. Because the HOPE VI Demolition grants are awarded on a first-come, first-served basis, HUD reserves the right either to award funds to Priority 1 applications as soon as they are determined to be eligible for funding, or announce all awards after the HOPE VI Demolition grant application deadline date has passed. HUD will notify ineligible applicants of their ineligibility immediately after that determination has been made. HUD will provide written notification to all HOPE VI applicants, whether or not they have been selected for funding.
- (2) Environmental Review. HUD notification that you have been selected to receive a HOPE VI Demolition grant constitutes only preliminary approval. Grant funds may not be released until the responsible entity completes an environmental review and you submit and obtain HUD approval of a request for release of funds and the responsible entity's environmental certification in accordance with 24 CFR part 58 and Section IV(B)(6) of this HOPE VI section of the SuperNOFA, above.
- (3) Demolition Grant Agreement. If you are selected to receive a Demolition grant, HUD will send you a HOPE VI Demolition Grant Agreement. Both you and HUD will sign the Cover Sheet of the Grant Agreement, and it is effective on the date of HUD's signature. The Grant Agreement sets forth:
 - (a) The amount of the grant;
 - (b) The HOPE VI Demolition Requirements;
 - (c) Demolition Plan components;
 - (d) Relocation requirements;
 - (e) Program schedule;
 - (f) Finance and Accounting procedures;
 - (g) Drawdown procedures;
 - (h) Recordkeeping requirements;
 - (i) Requirements for subgrantees, contractors, and subcontractors;
 - (j) Environmental review procedures;
 - (k) Fair Housing Certifications;
 - (l) Labor standards;
 - (m) Conflict of interest provisions;
 - (n) Reporting requirements;
 - (o) Technical assistance procedures;
 - (p) Default provisions; and
 - (q) Grant closeout procedures.

IX. Application Submission Requirements

(A) Revitalization Application Requirements.

- (1) Application Kit. The HOPE VI Application Kit provides explicit, specific instructions as to the format of a HOPE VI Revitalization application. Your application must conform to the requirements of this HOPE VI section of the SuperNOFA and follow the format described in the Kit. If you fail to adhere to the requirements of this NOFA, as detailed in the Kit, and omit critical requirements, your application may lose points. In addition to the narrative exhibits that respond to the rating criteria in this HOPE VI section of this SuperNOFA, your application will also include attachments that provide HUD with detailed information about your proposed revitalization, including forms and other documentation. Please note that resumes and videos are specifically excluded and will not be considered.
- (2) Application Page Limits.
 - (a) Each Revitalization application must contain no more than 75 pages of **narrative** exhibits. Any pages after the first 75 pages of narrative exhibits **will not be reviewed**. Although submitting pages in excess of the page limitations will not disqualify an application, **HUD will not consider the information on any excess pages, which may result in a lower score or failure of a threshold (this page limit does not include additional pages requested by HUD as a result of technical deficiency corrections)**. No more than one page of text may be placed on one sheet of paper; i.e., you may not shrink pages to get two or more on a page.
 - (b) Revitalization applications are also limited to 100 pages of **attachments**. The documents listed below constitute the **only** exceptions and are not counted in the 100 page limit:
 - (i) Application Data Sheets;
 - (ii) Commitments of resources;
 - (iii) Section 8 application;
 - (iv) List of current residents, after the first page; and
 - (v) Certifications located after the Attachments.

- (3) Narrative Exhibits. The following is a summary of the narratives required in a HOPE VI Revitalization application:
- (a) An Executive Summary.
 - (b) Narrative responses to the rating factors described in Section VI(G) of this HOPE VI program section of the SuperNOFA. Be SURE to address **each and every** item in the rating factors in the most clear, concise, and complete manner possible given the page limitations.
 - (c) A narrative demonstrating the appropriateness of your proposal in the context of the local housing market relative to other alternatives.
 - (d) A description of your planned predevelopment activities: hazard reduction, demolition, disposition, acquisition, and site improvements.
 - (e) A description of your planned physical revitalization activities: rehabilitation, new construction, homeownership assistance, development of community and/or economic development activities, and extraordinary site work.
 - (f) If applicable, a description of your plans to establish an Endowment Trust to continue CSS activities beyond the life of the HOPE VI grant.
 - (g) If applicable, a listing of all prior HUD public housing grant assistance received for the revitalization of the targeted project that are related to the proposed activities.
- (4) Attachments. The following is a summary of the attachments that will be required in a HOPE VI Revitalization application:
- (a) Contextual map that identifies the location of the current site in the neighborhood, City, and region;
 - (b) Organizational Chart;
 - (c) Revitalization Schedule;
 - (d) A listing of and commitment letters from Team members, as applicable;
 - (e) Photographs of the housing units and site;
 - (f) A Section 8 application, if Section 8 assistance will be needed for FY 2002;
 - (g) Conceptual revitalized site plan, interior unit design illustrations, and building elevations;
 - (h) Application Data Forms;
 - (i) Leveraged Resources Summary;
 - (j) Basic elements of the HOPE VI Relocation Plan, in conformance with guidance provided by HUD, including a list of each resident in occupancy at the time the application is submitted;
 - (k) Training Meeting and Public meeting certifications and documentation;
 - (l) Preliminary market assessment letter;
 - (m) Letters and other documents that commit resources to be used for HOPE VI activities;
 - (n) Grant Limitations and TDC Worksheet;
 - (o) MTCS Certification;
 - (p) Extraordinary Site Costs Certification;
 - (q) Severe Physical Distress Certification;
 - (r) Other documentation that responds to specific rating factors, including letters of commitment to participate as partners, perform an evaluation of the program, etc.
- (5) HOPE VI Revitalization Application Forms. The following HOPE VI forms are included in the HOPE VI Application Kit. Electronic versions also can be obtained from HUDCLIPS (www.hudclips.org)

and the HOPE VI website (www.hud.gov/hopevi).

- (a) HOPE VI Revitalization Application Data Form (HUD-52860-A);
- (b) HOPE VI Budget (HUD-52825-A, Parts I and II);
- (c) Section 8 Application (HUD-52515);
- (d) HOPE VI Revitalization Grant Applicant Certifications (HUD-52820-A). See Appendix A of this HOPE VI section of the SuperNOFA for the text of these certifications.

- (6) General Section Certification Forms. The following forms are appended to the **General Section** of the SuperNOFA and are also included in the HOPE VI Application Kit. Electronic versions of these forms also can be obtained from HUDCLIPS (www.hudclips.org).

- (a) Application for Federal Assistance (SF-424)
- (b) Assurances - Construction Programs (SF-424D)
- (c) Certification for a Drug-Free Workplace (HUD-50070)
- (d) Certification of Payments to Influence Federal Transactions (HUD-50071)
- (e) Disclosure of Lobbying Activities (SF-LLL) (if applicable)
- (f) Recipient Disclosure/Update Report (HUD-2880)
- (g) Certification Regarding Debarment and Suspension (HUD-2992)
- (h) Certification of Consistency with the EZ/EC Strategic Plan (HUD-2990)
- (i) Certification of Consistency with the Consolidated Plan (HUD-2991)
- (j) Acknowledgment of Application Receipt (HUD-2993)

(B) Demolition Application Requirements.

- (1) Application Kit. The HOPE VI Application Kit provides specific instructions as to the format of a HOPE VI Demolition application. Your application must conform to the requirements of this HOPE VI section of the SuperNOFA and follow the format described in the kit.
- (2) Application Information. The following is a summary of the information required in a HOPE VI Demolition application. Items (f) (HOPE VI Budget form) and (i) (Section 8 application) are available from HUDCLIPS (www.hudclips.org).
 - (a) Applicant, site, and unit information;
 - (b) Priority Group and Documentation of eligibility;
 - (c) Narrative of proposed activities, including:
 - (i) the number of original dwelling units and buildings in the project, the number of any units previously demolished or disposed of, and the number of units proposed for demolition;
 - (ii) any non-dwelling facilities to be demolished and the relationship between the non-dwelling facilities and the dwelling units to be demolished, in terms of proximity and use;
 - (iii) conditions that require extraordinary site costs, such as parking lots, streets, underground utilities, community buildings, etc.;
 - (iv) extent of any proposed hazard abatement activities, including the level of asbestos or any other contaminant present, if available;
 - (v) proposed site restoration and any subsequent site improvements to benefit the remaining portion of the development or to make the site more saleable;
 - (vi) if you propose activities other than filling in the site and establishing a lawn, a description of the non-HOPE VI funds to be used to carry out those activities;
 - (vii) a HOPE VI Demolition Relocation Plan, including a list of each resident in occupancy at the time the application is submitted;
 - (viii) a demonstration of the appropriateness of the proposal in the context of the local housing market relative to other alternatives; and
 - (ix) potential sources of matching funds for services to relocatees.
 - (d) Program Schedule;

- (e) Grant Limitations Worksheet, which itemizes all funds requested for:
 - (i) demolition of severely distressed public housing units;
 - (ii) extraordinary site costs, as applicable;
 - (iii) demolition of nondwelling structures, as applicable;
 - (iv) relocation assistance to residents of occupied units; and
 - (v) community and supportive service activities to displaced residents.
 - (f) Program budget (HUD-52825-A, parts I and II);
 - (g) MTCS Certification;
 - (h) Extraordinary Site Costs Certification, as applicable, completed by an engineer or architect, verifying and justifying any extraordinary site costs requested;
 - (i) Non-Dwelling Structure Costs Certification, as applicable, completed by an engineer or architect, verifying and justifying the costs to demolish non-dwelling structures;
 - (j) A Section 8 application (HUD-52515) for Section 8 relocation assistance needed during FY 2002.
- (3) HOPE VI Demolition Grant Applicant Certifications (HUD-52820-B). See Appendix B of this HOPE VI section of the SuperNOFA for the text of these certifications.
- (4) General Section Certification Forms. The following forms are appended to the **General Section** of the SuperNOFA and are also included in the HOPE VI Application Kit. Electronic versions of these forms also can be obtained from HUDCLIPS (www.hudclips.org).
- (a) Application for Federal Assistance (SF-424)
 - (b) Assurances - Construction Programs (SF-424D)
 - (c) Certification for a Drug-Free Workplace (HUD-50070)
 - (d) Certification of Payments to Influence Federal Transactions (HUD-50071)
 - (e) Disclosure of Lobbying Activities (SF-LLL)
 - (f) Recipient Disclosure/Update Report (HUD-2880)
 - (g) Certification Regarding Debarment and Suspension (HUD-2992)

X. Authority

- (A) The funding authority for HOPE VI Revitalization and Demolition grants under this HOPE VI section of the SuperNOFA is provided by the FY 2001 HUD Appropriations Act under the heading "Revitalization of Severely Distressed Public Housing (HOPE VI)."
- (B) The program authority for the HOPE VI Program is section 24 of the U.S. Housing Act of 1937 (42 USC 1437v), as added by section 535 of the Quality Housing and Work Responsibility Act of 1998 (Pub.L. 105-276, 112 Stat. 2461, approved October 21, 1998).

Appendix A

HOPE VI Revitalization Grant Applicant Certifications

Acting on behalf of the Board of Commissioners of the Housing Authority listed below, as its Chairman, I approve the submission of the HOPE VI Revitalization application of which this document is a part and make the following certifications to and agreements with the Department of Housing and Urban Development (HUD) in connection with the application and implementation thereof:

Applicant Certifications

1. The public housing project or building in a project targeted in this HOPE VI Revitalization grant application meets the definition of severe distress in accordance with Section 24(j)(2) of the U.S. Housing Act of 1937 ("the Act").
2. The PHA has not received assistance from the Federal government, State, or unit of local government, or any agency or instrumentality, for the specific activities for which funding is requested in the HOPE VI Revitalization application.
3. The PHA does not have any litigation pending which would preclude timely startup of activities.
4. The PHA is in full compliance with any desegregation or other court order related to Fair Housing (e.g., Title VI of the Civil Rights Act of 1964, the Fair Housing Act, and Section 504 of the Rehabilitation Act of 1973) that affects the PHA's public housing program and that is in effect on the date of application submission.
5. PHA has returned any excess advances received during development or modernization, or amounts determined by HUD to constitute excess financing based on a HUD-approved Actual Development Cost Certificate (ADCC) or Actual Modernization Cost Certificate (AMCC), or that HUD has approved a pay-back plan.
6. There are no environmental factors, such as sewer moratoriums, precluding development in the requested locality.
7. The application is consistent with Environmental Justice Executive Order 12898, in that the proposed public housing will be developed only in environmentally sound and desirable locations and will avoid disproportionately high and adverse environmental effects on minority and low-income communities.

8. In accordance with the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001-4128), the property targeted for acquisition or construction (including rehabilitation) is not located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless:
 - (a) The community in which the area is situated is participating in the National Flood Insurance program (see 44 CFR parts 59 through 79), or less than one year has passed since FEMA notification regarding such hazards; and
 - (b) Where the community is participating in the National Flood Insurance Program, flood insurance is obtained as a condition of execution of a Grant Agreement and approval of any subsequent demolition or disposition application.
9. The application does not target properties in the Coastal Barrier Resources System, in accordance with the Coastal Barrier Resources Act (16 U.S.C. 3501).

Grantee Certifications

If selected for HOPE VI Revitalization funding:

10. The PHA will comply with all policies, procedures, and requirements prescribed by HUD for the HOPE VI Program, including the implementation of HOPE VI revitalization activities, in a timely, efficient, and economical manner.
11. The PHA will not receive assistance from the Federal government, State, or unit of local government, or any agency or instrumentality, for the specific activities funded by the HOPE VI Revitalization grant. The PHA has established controls to ensure that any activity funded by the HOPE VI Revitalization grant is not also funded by any other HUD program, thereby preventing duplicate funding of any activity.
12. The PHA will not provide to any development more assistance under the HOPE VI Revitalization grant than is necessary to provide affordable housing after taking into account other governmental assistance provided.
13. The PHA will supplement the aggregate amount of the HOPE VI Revitalization grant with funds from sources other than HOPE VI in an amount not less than 5 percent of the amount of HOPE VI grant.
14. In addition to supplemental amounts provided in accordance with Certification 13 above, if the PHA uses more than 5 percent of the HOPE VI grant for the community and supportive services component, it will provide supplemental funds from sources other than HOPE VI, dollar for dollar, for the amount over 5 percent of the grant used for the community and supportive services component.
15. Disposition activity under the grant will be conducted in accordance with Section 18 of the Act.
16. The PHA will carry out acquisition of land, or acquisition of off-site units with or without rehabilitation to be used as public housing, in accordance with 24 CFR part 941, or successor part.

17. The PHA will carry out major rehabilitation and other physical improvements of housing and non-dwelling facilities in accordance with 24 CFR 968.11 2(b), (d), (e), and (g)-(o), 24 CFR 968.130, and 24 CFR 968.135(b) and (d) or successor part.
18. The PHA will carry out construction of public housing replacement housing, both on-site and off-site, and community facilities, in accordance with 24 CFR part 941 or successor part, including mixed-finance development in accordance with subpart F.
19. The PHA will carry out replacement homeownership activities in general conformance with the requirements of section 24(d)(1)(J) or section 32 of the 1937 Act and the income limitations of the Act.
20. The PHA will administer and operate rental units in accordance with all existing public housing rules and regulations, as those requirements now exist or as they may be amended from time to time.
21. The PHA will comply with the requirements of the Fair Housing Act (42 U.S.C. 3601-19) and regulations pursuant thereto (24 CFR part 100); Executive Order 11063 (Equal Opportunity in Housing) and regulations pursuant thereto (24 CFR part 107); the fair housing poster regulations (24 CFR part 110) and advertising guidelines (24 CFR part 109); and Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and regulations pursuant thereto (24 CFR part 1).
22. The PHA will address the elimination of impediments to fair housing choice relating to its public housing and particularly to the revitalization of distressed public housing that were identified in the jurisdiction's Analysis of Impediments to Fair Housing Choice, remedy discrimination in housing, and promote fair housing rights and fair housing choice.
23. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and regulations issued pursuant thereto (24 CFR part 146); the prohibitions against discrimination against, and reasonable modification and accommodation and accessibility requirements for, handicapped individuals under Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and regulations issued pursuant thereto (24 CFR part 8); the Americans with Disabilities Act (42 U.S.C. 12101 et. seq.) and regulations issued pursuant thereto (28 CFR Part 36); and the Architectural Barriers Act of 1968, as amended (42 U.S.C. 4151) and regulations issued pursuant thereto (24 CFR Part 40).
24. The PHA has adopted the goal of awarding a specified percentage of the dollar value of the total of the HOPE VI contracts to be awarded during subsequent fiscal years to minority business enterprises and will take appropriate affirmative action to assist resident-controlled and women's business enterprises in accordance with the requirements of Executive Orders 11246, 11625, 12432, and 12138.
25. The PHA will comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Employment Opportunities for Lower Income Persons in Connection with Assisted Projects) and its implementing regulation at 24 CFR part 135, including the reporting requirements of subpart E.

26. The PHA will comply with Davis-Bacon or HUD-determined prevailing wage rate requirements to the extent required under Section 12 of the U.S. Housing Act of 1937.
27. As applicable, the PHA will comply with the relocation assistance and real property acquisition requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and government-wide implementing regulations at 49 CFR part 24; relocation regulations at 24 CFR 968.108 or successor regulation (rehabilitation, temporary relocation); 24 CFR 941.207 or successor regulation (acquisition); and 24 CFR Section 18 of the 1937 Act as amended (disposition).
28. The PHA will comply with the HOPE VI requirements for reporting and access to records as required in the HOPE VI Revitalization Grant Agreement.
29. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821, et seq.) and is subject to 24 CFR part 35 and 24 CFR 965.701, as they may be amended from time to time, and Section 968.110(k) or successor regulation.
30. The PHA will comply with the policies, guidelines, and requirements of OMB Circular A-87 (Cost Principles Applicable to Grants, Contracts, and Other Agreements with State and Local Governments).
31. The PHA will comply with 24 CFR part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments), as modified by 24 CFR 941 or successor part, subpart F, relating to the procurement of partners in mixed finance developments, except when inconsistent with the provisions of the 2001 Appropriations Act or other applicable Federal statutes. Requests for Proposals (RFPs) and Requests for Qualifications (RFQs) will reflect pertinent language from the program section of FY 2001 HOPE VI NOFA; e.g., seeking diversity, accessibility, fair housing requirements, etc.
32. The PHA will keep records in accordance with 24 CFR 85.20 that facilitate an effective audit to determine compliance with program requirements, and comply with the audit requirements of 24 CFR 85.26.
33. The PHA will start construction within 12 months from the date of HUD's approval of the Revitalization Plan's Supplemental Submissions. In no event may this time period exceed 18 months from the date the Grant Agreement is executed.
34. The PHA will complete construction within 48 months from the date of HUD's approval of the Revitalization Plan's Supplemental Submissions. In no event may the time period for completion exceed 54 months from the date the Grant Agreement is executed.
35. All activities that include construction, rehabilitation, lead-based paint removal, and related activities will meet or exceed local building codes. New construction will comply with the latest HUD-adopted Model Energy Code issued by the Council of American Building Officials.

Appendix B

HOPE VI Demolition Grant Applicant Certifications

Acting on behalf of the Board of Commissioners of the Public Housing Authority (PHA) listed below, as its Chairman, I approve the submission of the HOPE VI Demolition funding application of which this document is a part and make the following certifications to and agreements with the Department of Housing and Urban Development (HUD) in connection with the application and implementation thereof:

Applicant Certifications

1. The public housing project or building in a project targeted in this HOPE VI Demolition grant application meets the definition of severe distress in accordance with Section 24(j)(2) of the U.S. Housing Act of 1937 ("the Act").
2. The PHA has not received assistance from the Federal government, State, or unit of local government, or any agency or instrumentality, for the specific demolition activities for which funding is requested in the HOPE VI Demolition grant application.
3. The PHA is in full compliance with any desegregation or other court order related to Fair Housing (e.g., Title VI of the Civil Rights Act of 1964, the Fair Housing Act, and Section 504 of the Rehabilitation Act of 1973) that affects the PHA's public housing program and that is in effect on the date of application submission.
4. The PHA does not have any litigation pending which would preclude timely startup of activities.
5. PHA has returned any excess advances received during development or modernization, or amounts determined by HUD to constitute excess financing based on a HUD-approved Actual Development Cost Certificate (ADCC) or Actual Modernization Cost Certificate (AMCC), or that HUD has approved a pay-back plan.

Grantee Certifications

If selected for HOPE VI Demolition grant funding:

6. The PHA will comply with all policies, procedures, and requirements prescribed by HUD for the HOPE VI Program, including the implementation of HOPE VI Demolition grant activities, in a timely, efficient, and economical manner.
7. The PHA will start construction within six months from the date of Grant Agreement execution, and complete the demolition within two years from the date of Grant Agreement execution.
8. The PHA will not receive assistance from the Federal government, State, or unit of local government, or any agency or instrumentality, for the specific activities funded by the HOPE VI Demolition grant. The PHA has established controls to ensure that any activity funded by the HOPE VI Demolition grant is not also funded by any other HUD program, thereby preventing duplicate funding of any activity.

9. The PHA will not provide to any development more assistance under the HOPE VI Demolition grant than is necessary to perform demolition activities after taking into account other governmental assistance provided.
10. The PHA will comply with the requirements of the Fair Housing Act (42 U.S.C. 3601-19) and regulations pursuant thereto (24 CFR part 100); Executive Order 11063 (Equal Opportunity in Housing) and regulations pursuant thereto (24 CFR part 107); the fair housing poster regulations (24 CFR part 110) and advertising guidelines (24 CFR part 109); and Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and regulations pursuant thereto (24 CFR part 1).
11. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and regulations issued pursuant thereto (24 CFR part 146); the prohibitions against discrimination against, and reasonable modification and accommodation and accessibility requirements for, handicapped individuals under Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and regulations issued pursuant thereto (24 CFR part 8); the Americans with Disabilities Act (42 U.S.C. 12101 et. seq.) and regulations issued pursuant thereto (28 CFR Part 36); and the Architectural Barriers Act of 1968, as amended (42 U.S.C. 4151) and regulations issued pursuant thereto (24 CFR Part 40).
12. The PHA will address the elimination of impediments to fair housing choice that were identified in the jurisdiction's Analysis of Impediments to Fair Housing Choice, remedy discrimination in housing, and promote fair housing rights and fair housing choice.
13. The PHA has adopted the goal of awarding a specified percentage of the dollar value of the total of the HOPE VI contracts to be awarded during subsequent fiscal years to minority business enterprises and will take appropriate affirmative action to assist resident-controlled and women's business enterprises in accordance with the requirements of Executive Orders 11246, 11625, 12432, and 12138.
14. The PHA will comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Employment Opportunities for Lower Income Persons in Connection with Assisted Projects) and its implementing regulation at 24 CFR part 135, including the reporting requirements of Subpart E.
15. The PHA will comply with HUD-determined prevailing wage rate requirements to the extent required under Section 12 of the Act.
16. As applicable, the PHA will comply with the relocation assistance and real property acquisition requirements of Section 18 of the Act, as amended (demolition approved by a Section 18 demolition application); and/or the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and government-wide implementing regulations at 49 CFR part 24 (demolition pursuant to a Section 18 demolition application and demolition approved pursuant to a Section 202 Mandatory Conversion Plan).
17. The PHA will comply with the HOPE VI requirements for reporting and access to records as required in the HOPE VI Demolition Grant Agreement.

18. The PHA will keep records in accordance with 24 CFR 85.20 that facilitate an effective audit to determine compliance with program requirements, and comply with the audit requirements of 24 CFR 85.26.
19. The PHA will comply with the policies, guidelines, and requirements of OMB Circular A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).